Company: San Diego Gas & Electric Company (U902M)
Proceeding: 2016 General Rate Case
Application: A.14-11-003
Exhibit: SDG&E -213

# SDG&E

# REBUTTAL TESTIMONY OF SARA A. FRANKE

# (CUSTOMER SERVICES FIELD)

June 2015

**BEFORE THE PUBLIC UTILITIES COMMISSION**
**OF THE STATE OF CALIFORNIA**


Doc# 297616

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# SDG&E REBUTTAL TESTIMONY OF SARA A. FRANKE
# (CUSTOMER SERVICES FIELD)

## I. SUMMARY OF DIFFERENCES

Table SAF-1 below summarizes the parties' respective TY 2016 forecasts for SDG&E Customer Services Field ("CSF") activities.

**TABLE SAF-1**

**Summary of Differences**[1]

| **TOTAL O&M** - Constant 2013 ($000) | | | |
|---|---|---|---|
| | **Base Year 2013** | **Test Year 2016** | **Change** |
| SDG&E | 22,990 | 22,135 | -855 |
| ORA | 22,990 | 20,577 | -2,413[2] |
| **TOTAL CAPITAL** - Constant 2013 ($000) | | | |
| | **2014** | **2015** | **2016** |
| SDG&E | 121 | 0 | 0 |
| ORA | 306 | 0 | 0 |

Table SAF-2 below summarizes the parties' respective TY 2016 forecasts by CSF cost category.

[1] ORA is the only party that submitted testimony containing TY 2016 forecast expenses for SDG&E's CSF activities. UCAN submitted testimony but did not raise any objections to or contest any aspects of SDG&E's TY 2016 forecast with the exception that UCAN recommends using a lower order volume for two of SDG&E's fifty-six CSF work order types. Because UCAN did not propose a corresponding dollar amount associated with its proposed adjustment, no TY 2016 cost forecast is shown for UCAN. SDCAN submitted testimony indicating that it supports ORA's overall TY 2016 forecast for SDG&E as a whole. With respect to CSF activities in particular, SDCAN raises only one issue, i.e., SDG&E's performance relative to Service Guarantees. SDCAN does not present any specific dollar amount by which it recommends SDG&E's TY 2016 forecast be modified, therefore no TY 2016 cost forecast is shown for SDCAN. TURN's sole mention of CSF in its testimony pertains to 2013 employee recognition expenses totaling $2,034 dollars for tickets to sporting events. Aside from suggesting that $2,034 dollars be removed from SDG&E's TY 2016 forecast, TURN did not propose any changes to SDG&E's TY 2016 forecast for CSF activities. Therefore no cost forecast is shown for TURN.

[2] As an observation, SDG&E notes that ORA proposes a reduction in SDG&E's TY 2016 costs that is approximately *three times* the amount proposed by SDG&E. Similarly, ORA proposes incremental TY 2016 funding that is approximately *one-third* of SoCalGas' request. Dividing/multiplying by three appears to be ORA's primary objective with respect to the TY 2016 CSF cost forecasts for both SDG&E and SoCalGas.

**TABLE SAF-2**

**Summary Comparison by Cost Category – Non-Shared Costs[3]**

| **TOTAL O&M** - Constant 2013 ($000) | | | |
|---|---|---|---|
| **CSF - Operations[4]** | **Base Year 2013** | **Test Year 2016** | **Change** |
| SDG&E | 15,678 | 14,675 | -1,003 |
| ORA | 15,678 | 13,243 | -2,435 |
| **CSF - Supervision** | | | |
| SDG&E | 1,491 | 1,484 | -7 |
| ORA | 1,491 | 1,484 | -7 |
| **CSF - Dispatch** | | | |
| SDG&E | 2,973 | 3,002 | 29 |
| ORA | 2,973 | 3,002 | 29 |
| **CSF - Support** | | | |
| SDG&E | 2,848 | 2,974 | 126 |
| ORA | 2,848 | 2,848 | 0 |

## II. INTRODUCTION

### A. ORA

Office of Ratepayer Advocates ("ORA") issued its report on SDG&E's CSF forecast on April 24, 2015.[5] ORA proposes a TY 2016 funding level that is $2.413 million less than 2013 adjusted-recorded costs (a reduction of 10%), whereas SDG&E's TY 2016 forecast is $0.855 million less than 2013 adjusted-recorded costs (a 4% reduction). Following is a summary of ORA's proposals:

- ORA supports SDG&E's TY 2016 forecasts for two of the four CSF cost categories, i.e., CSF Supervision and CSF Dispatch ($1.484 million and $3.002 million, respectively).
- For the CSF Operations cost category, ORA proposes a TY 2016 funding level equal to 2014 recorded-adjusted costs, or $2.435 million less than 2013 adjusted-recorded costs (a 16% reduction).

[3] SDG&E does not have any shared costs.
[4] UCAN did not raise any objections to or contest any of SDG&E's TY 2016 forecasts with the exception that, with respect to the CSF Operations cost category, UCAN recommends a lower order volume for two of SDG&E's fifty-six CSF work order types, i.e., "Seasonal Off" and "Seasonal On Singles" work orders. Because UCAN did not propose a specific corresponding dollar adjustment to SDG&E's TY 2016 forecast for CSF Operations, no TY 2016 cost forecast is shown for UCAN.
[5] Exhibit ("Ex.") ORA-13, Report on the Results of Operations for San Diego Gas & Electric Company and Southern California Gas Company, Test Year 2016 General Rate Case – Customer Services".

- For the CSF Support cost category, ORA proposes a TY 2016 funding level equal to Base Year ("BY") 2013 recorded-adjusted costs, or $0.126 million less than SDG&E's TY 2016 forecast.
- ORA used 2014 adjusted-recorded costs for IT capital.

### B. UCAN

The Utility Consumers' Action Network ("UCAN") submitted testimony on May 15, 2015.[6] Following is a summary of UCAN's sole proposal pertaining to SDG&E's CSF activities:

- SDG&E's forecasted work order volumes for two of SDG&E's fifty-six CSF order types ("Seasonal Off" and "Seasonal On Singles" work orders) should be reduced to account for the historical decline in pilot relights.[7]

### C. SDCAN

The San Diego Consumers' Action Network ("SDCAN") also submitted testimony on May 15, 2015.[8] Following is a summary of SDCAN's sole proposal pertaining to SDG&E's CSF activities:

- SDG&E should be required to split the costs of the Service Guarantee program between its customers and shareholders until the next SDG&E GRC at which time, if SDG&E provides evidence of reduced missed appointments, the program might once again be fully funded by ratepayers.[9]

### D. TURN

The Utility Reform Network ("TURN") submitted testimony on May 15, 2015.[10] Following is a summary of TURN's only proposal pertaining to SDG&E's CSF activities:

- 2013 costs totaling $2,034 for sporting tickets (for employee recognition) are not necessary to provide utility service and should be removed from the TY 2016 forecast.[11]

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[6] Ex. UCAN-Fulmer, "Testimony of Mark Fulmer on Behalf of the Utility Consumers' Action Network Concerning Sempra's Revenue Requirement Proposals for San Diego Gas and Electric and SoCalGas".
[7] Ex. UCAN-Fulmer, page 5. As noted previously, UCAN does not provide a proposed dollar amount associated with its order volume forecast for the two seasonal work order types.
[8] Ex. SDCAN-Shames, "SDCAN Evaluation of San Diego Gas and Electric Company's Customer Service and External Affairs Activities".
[9] Ex. SDCAN-Shames, page 29.
[10] Ex. TURN-Marcus, "Report on Various Results of Operations Issues in Southern California Gas Company's and San Diego Gas and Electric Company's 2016 Test Year General Rate Cases".
[11] Ex. TURN-Marcus, pages 46-47.

## III. REBUTTAL TO PARTIES' O&M PROPOSALS

### A. CSF Operations Cost Category

CSF Operations consists of labor and non-labor expenses for field technicians who provide service at customer premises, including both customer- and company-generated work orders. Examples of customer-generated work orders include customer requests to establish/remove gas and electric service, light gas pilots, check gas appliances, shut off and restore gas service for fumigation, investigate the cause of high bills, respond to emergency incidents (e.g., structure fires), investigate reports of potential gas leaks, and other services. Examples of company-generated work orders include performing meter and regulator changes and other meter work to maintain company assets, and collecting customer payments for delinquent bills, the latter of which is typically performed by field collectors.

Table SAF-3 below provides a summary comparison of the parties' respective TY 2016 forecasts for each of the elements that make up the CSF Operations cost category.

**TABLE SAF-3**

**Summary Comparison – CSF Operations Cost Category**

| **TY 2016 Forecast – Constant 2013 ($000)** | | |
|---|---|---|
| | **SDG&E** | **ORA** |
| **CSF (Excluding Field Collections)** | | |
| 2013 Adjusted-Recorded Costs | 13,411 | 0 |
| TY 2016 Forecast – Order Volumes and Other Variables (Excluding Customer Growth) | (163) | 0 |
| Adjustment to Account for Customer Growth | 429 | 0 |
| Adjustment to Account for Increased Drive Time Due to Increased Traffic Congestion | 147 | 0 |
| Adjustment to Account for Efficiency Improvements | (698) | 0 |
| ***Other Incremental Funding Requests:*** | | |
| Enhanced Customer Education (Proposed New Service) | 245 | 0 |
| Outreach Safety Checks (Proposed New Service) | 595 | 0 |
| Operator Qualification Training | 38 | 0 |
| AT&T Wireless Fees | 37 | 0 |
| **Field Collections** | | |
| 2013 Adjusted-Recorded Costs | 2,267 | 0 |
| Adjustment to Account for Efficiency Improvements | (1,633) | 0 |
| **Total** | **14,675** | **13,243**[12] |

[12] ORA uses SDG&E's 2014 adjusted-recorded costs as the sole basis for its TY 2016 forecast. (Ex. ORA-13, page 9, Table 13-5, and page 10, lines 3-4.)

### 1. ORA

ORA takes issue with SDG&E's TY 2016 forecast for the CSF Operations cost category and proposes TY 2016 funding equal to 2014 recorded-adjusted costs. SDG&E developed its forecast in accordance with the Rate Case Plan, which does not contemplate the use of 2014 recorded data so SDG&E's forecast was not developed using 2014 information.[13] While 2014 recorded cost data may indicate lower spending than forecasted in some areas, it may also indicate higher spending than forecasted in others. CSF Operations costs are impacted by a number of variables, including work order volumes, which fluctuate from year to year for most order types, and other variables. Although SDG&E provided 2014 cost data in the spirit of cooperation, SDG&E did not update its TY 2016 forecast to include 2014 data. The use of 2014 recorded costs as the sole basis for ORA's TY 2016 forecast should be rejected because this forecasting methodology ignores key variables that impact costs.[14]

In its testimony (Ex. ORA-13), ORA makes the statements and assertions reproduced below as ORA's justification for using 2014 costs as the sole basis for its TY 2016 forecast. Each of ORA's arguments and assertions are also rebutted below.

#### a. TY 2016 Forecast – Order Volumes and Other Variables (Excluding Customer Growth)

ORA states, *"SDG&E's TY 2016 forecast is over-stated. SDG&E's adjusted-recorded expenses declined by $6.287 million between 2009 and 2014 from $19.530 million in 2009, to $13.243 million in 2014." (Ex. ORA-13, page 10, lines 13-15)*

ORA uses a broad-brush forecasting methodology, concluding that because CSF Operations costs decreased between 2009 and 2014, TY 2016 funding levels should be set equal to 2014 adjusted-recorded costs. ORA provides absolutely no analysis or substantiation in its testimony or workpapers to justify its arbitrary selection of recorded 2014 expenses as appropriate for SDG&E's CSF TY 2016 forecast expenses. Furthermore, ORA provides no CSF work order volume forecast associated with its forecast of TY 2016 expenses.

In contrast, SDG&E developed (and provided ORA with a working copy of) its Excel forecasting model for both non-collections and collections CSF work orders (SDG&E-13-WP,

[13] SDG&E did not have adjusted-recorded 2014 expenditures available when SDG&E filed its GRC Notice of Intent (NOI) in July 2014 and its GRC Application (A.14-11-003) in November 2014.
[14] Aside from 2014 cost data, ORA did not request any other 2014 data or information.

pages 14-27). The forecasting model SDG&E used to develop its TY 2016 forecast accounts for the following variables which impact CSF Operations costs:

- *Work Order Volumes* – Work order volumes and trends vary by order type, as do the factors impacting each order type. Rather than utilize a broad-brush forecasting methodology, in an effort to improve the accuracy and transparency of its forecasting, SDG&E presented graphical charts for each CSF work order type showing the order volume patterns, for each individual order type, as well as key factors impacting each order type (SDG&E-13-WP, pages 28-80). As reflected in SDG&E's workpapers and as accounted for in SDG&E's TY 2016 forecast, some order types have been steadily decreasing in volume as a result of Smart Meter implementation. Order volumes for most order types have consistently fluctuated from year to year, due to factors outside of SDG&E's control (e.g., weather, the state of the economy, customer turnover, the level of gas and electricity prices, emergency incidents such as structure fires and laws/regulations). And order volumes for other order types have been steadily increasing from year to year. ORA's use of 2014 costs as the sole basis for its TY 2016 forecast ignores order volume patterns by order type, as well as factors impacting order volumes by order type.[15] Furthermore, ORA does not contest or present any objections or concerns regarding any of SDG&E's work order volume forecasts for any individual order type.

- *Drive time* – The time it takes field technicians to travel to customer premises. As reflected in Ex. SDG&E-13, page SAF-12, drive time has steadily increased each year from an average of 9.46 minutes per order in 2009 to an average of 13.09 minutes per order in 2013. In its testimony regarding SoCalGas' CSF Operations cost category, ORA supports SoCalGas' projection of an annual increase in drive time of 1% due to increasing traffic congestion.[16] SDG&E relied on the same INRIX study of traffic congestion as SoCalGas did to develop its forecast of projected increases in drive time, yet ORA is completely silent on the subject of drive time in its testimony regarding SDG&E CSF Operations.[17]

- *On Premise Time* – The time it takes to complete each work order. On premise time varies based on work order type, with some order types requiring more time to complete than others. Largely as a result of Smart Meter implementation eliminating shorter work orders, the average on premise time per order has steadily increased from 14.46 minutes in 2009 to 23.77 minutes in 2013 (Ex. SDG&E-13, page SAF-13). SDG&E's TY 2016 forecast assumes average on premise time of 23.8 minutes per order based on 2013 average on premise time per order type (Ex. SDG&E-13, page

[15] SDG&E's graphical order volume charts showing order volume patterns by individual order type were provided in Ex. SDG&E-13-WP, pages 28-80. The same graphical order volume charts, updated to include 2014 results, are attached to this testimony as Appendix A.

[16] In Ex. ORA-13, page 52, lines 13-14, ORA states, "ORA does not take issue with SCG's projected 1% increase in drive time for TY 2016."

[17] Drive time, including a copy of INRIX's traffic congestion report, is addressed on pages SAF-12-13 and SAF-E-1 of Ex. SDG&E-13.

SAF-13).[18] In its testimony, ORA does not contest or raise any objections to SDG&E's forecast of average on premise time per order type.

- *Non-Job Time, Training Time, Vacation and Sickness, and Wage Rate* – In addition to drive time and on premise time being converted to hours and then full-time equivalents ("FTEs") to determine costs, the appropriate non-job time (for start/end of day non-order work, breaks); meeting/training time; and the SDG&E vacation and sickness factors were applied to compute forecasted FTEs. A blended wage rate for the various CSF job classifications was used to compute total labor expense.[19] In its testimony, ORA does not contest or present any objections to SDG&E's TY 2016 forecasting assumptions for any of these variables, i.e., non-job time, meeting/training time, vacation and sickness time, or wage rate.
- *Non-Labor Expense* – SDG&E used a five-year average to forecast a TY 2016 average non-labor cost per FTE for small tools, uniforms, materials, supplies and expenses.[20] ORA does not contest or present any objections to SDG&E's forecast for non-labor expenses.

As summarized above, SDG&E provided detailed rationale and substantiation for each and every planning assumption used in its forecast of TY 2016 costs, including the forecast model SDG&E used to analyze the net effect of the different variables that drive CSF Operations costs.[21] In its testimony, ORA does not object to SDG&E's forecast methodology or projected TY 2016 order volumes for any work order type. ORA does not object to SDG&E's projected on premise time (the average time it takes for a field technician to complete each order type) for any work order type. ORA does not object to SDG&E's projected average drive time per work order type (the time it takes field technicians to travel to customer premises). Nor does ORA contest or object to any other planning assumption contained in SDG&E's forecast model (e.g., non-job time, training time, vacation and sick time, wage rate and non-labor cost per FTE).

[18] BY 2013 average on premise times per order were used to forecast because the most current procedures and safety requirements are reflected in 2013 on premise times. (Ex. SDG&E-13, page SAF-13, lines 11-13).
[19] Ex. SDG&E-13, pages SAF-13-14, lines 19-25 and 1-8, respectively.
[20] Ex. SDG&E-13, page SAF-14, lines 8-10.
[21] As reflected in SDG&E's response to ORA-SCG-DR-052-TLG, Q.6., SDG&E's forecast of required funding for its Customer Services Field – Operations area is, at its core, based on activity levels. SDG&E prepared a work order volume forecast, then factored in multiple variables (i.e., on premise time per work order, drive time per order (to travel to and from each work order), vacation & sickness rates, non-job time rates (e.g., for start/end of day non-order work, breaks, etc.), and training time rates) to calculate the necessary hours (FTEs) to perform the volume of forecasted work. To determine required funding, SDG&E multiplied the total hours by a blended wage rate. For the TY 2016 forecast, SDG&E used 2013 base year data to calculate a blended wage rate of $38.34 per hour. This rate is a blend of all CSF job classifications and includes straight-time and overtime.

In a nutshell, SDG&E's forecast of TY 2016 expenses reflects the net effect of several moving variables (i.e., order volumes by individual order type, most of which fluctuate up and down from year to year; drive time; on premise time; non-job time; meeting/training time; vacation and sickness rates; and blended wage rate). ORA's sole reliance on a broad-brush forecasting methodology (i.e., 2014 recorded costs) ignores all the variables that impact CSF Operations costs over time. ORA completely ignores and does not address in its testimony the merits of the detailed facts and assumptions presented in Exs. SDG&E-13 and SDG&E-13-WP, which take into consideration the key variables that impact CSF Operations costs. For these reasons, ORA's forecast methodology should be rejected.

Second, ORA states, *"SDG&E's total work order volumes declined by 406,493 between 2009-2013, from 725,946 in 2009 to 319,453 in 2013." (Ex. ORA-13, page 11, lines 5-6)*

Similar to ORA's above assertion regarding 2014 costs, ORA applies a very simplistic, broad-brush, virtually analysis-free approach to its review of work order volumes. In its testimony and workpapers,[22] SDG&E presents facts, data, graphs and charts showing factors impacting each order type and historical order volume patterns by specific order type. SDG&E's TY 2016 forecast takes into account that work order volumes for order types impacted by Smart Meter have declined due to a reduction in the need for the associated work. In these instances SDG&E used BY 2013 order volumes as the basis for its forecast.

ORA's proposed use of 2014 adjusted-recorded costs as the sole basis for its TY 2016 forecast ignores the fact that work order volumes for non-Smart-Meter-impacted orders[23] have continued to fluctuate up and down from year to year.[24] Where customer demand for services is driven by factors outside SDG&E's control (e.g., weather, the state of the economy, customer turnover, emergency incidents such as structure fires and customer reports of potential gas leaks), the order volume forecasts must be based on multi-year historical averages of sufficient length to capture the cyclical conditions because variables influencing order volumes vary from year to year. ORA's use of a single-year cost forecasting methodology fails to account for year-to-year order volume fluctuations by order type.

[22] Ex. SDG&E, pages SAF-6-11 and SDG&E-13-WP, pages 28-80.
[23] For work orders impacted by Smart Meter, SDG&E used BY 2013 (orders to active meters) order volumes for its TY 2016 forecast since 2013 was the first full year post Smart Meter implementation.
[24] Ex. SDG&E-13-WP, pages 28-80.

ORA's single-year cost forecasting methodology similarly ignores the fact that work order volumes for some order types have been increasing during the period from 2009-2013 (e.g., work orders related to customer reports of carbon monoxide following the enactment of Senate Bill 183,[25] and work orders related to the ongoing maintenance of gas and electric meters.)[26]

In this GRC, SDG&E has gone the extra step of analyzing order volume patterns and factors affecting order volumes, by specific order type, in developing separate order volume forecasts for each and every individual order type. SDG&E does not apply a single forecast methodology for all order types. Rather, each order type is evaluated based on its specific attributes, including external factors and cyclical impacts, upward or downward order volume patterns, Smart Meter impacts, etc. In its testimony, ORA does not contest or raise any objections to SDG&E's order volume forecast methodology or rationale for any single order type. Nor does ORA raise any objections to or contest the resulting order volume forecast for any single order type. Notably, on page 11 of its testimony (footnote 18), ORA reiterates a SoCalGas response to an ORA data request, "Relying solely on total order volume trends, rather than order volume trends for each individual work order type, would ignore key factors impacting individual order types."

For the reasons set forth above, ORA's broad-brush approach to forecasting TY 2016 costs, i.e., relying solely on 2014 adjusted-recorded costs should be rejected.

Third, ORA states, *"Of the fifty-six work order types shown, thirty-two of them showed declining trends in order volumes between 2009-2013." (Ex. ORA-13, page 11, lines 9-10)*

Upon reviewing ORA's testimony, it appeared to SDG&E that ORA's above assertion may be based on a comparison of only 2012 and 2013 order volumes. To seek clarification, SDG&E sent a data request to ORA asking the following:[27]

> At Exhibit ORA-13, page 11, lines 6-9, ORA indicated it "reviewed and analyzed each individual work order type SDG&E provided in its testimony, in order to determine the historical order volume trend for each individual work order type."

[25] Ex. SDG&E-13-WP, pages 36-37.
[26] Ex. SDG&E-13-WP, page 61.
[27] A copy of SDG&E's data request, SEU-ORA-DR-06, Q. 2, and ORA's response are provided in Appendix B.

> Of the 56 order types ORA reviewed and analyzed, which individual order type forecasts does ORA object to and why?

ORA responded as follows:

> **Regarding "which individual order type forecasts does ORA object to and why," note that ORA's testimony did not state that it objected to SDG&E's "individual order type forecasts." [Emphasis added]**
>
> As discussed in ORA's testimony on page 11, ORA reviewed and analyzed each individual work order type SDG&E provided in its testimony, in order to determine the historical order volume trend for each work order type. Regarding forecasts and historical trends for Work Order Volumes, in response to ORA-SCG-052-TLG, Q. 22-d, SCG states, "Relying solely on total order volume trends, rather than order volume trends for each individual work order type, would ignore key factors impacting individual order types." ORA discovered that, of the fifty-six work order types shown, thirty-two of them showed declining trends in order volumes between 2009-2013. SDG&E's 2014 adjusted-recorded expenses of $13.243 million includes its work order volumes and its 2014 expense level is $2.435 million lower than its 2013 expense levels of $15.678 million. SDG&E's testimony and workpapers did not include any historical cost data associated with each of its fifty-six work order types for analysis.

ORA's testimony mischaracterizes the facts. As reflected in Table SAF-4 below, a total of 17 order types experienced declines in order volumes each year during the period from 2009-2014.[28] Nearly all of these order types were impacted by SDG&E's Smart Meter implementation, which eliminated the need for field work orders in many cases. SDG&E's order-type-by order type forecasting methodology set forth in Exs. SDG&E-13 (pages 6-9) and SDG&E-13-WP (pages 28-80) takes into account the impact of Smart Meter on applicable order types.

[28] SDG&E is including 2014 order volume data given that ORA uses solely 2014 costs for its TY 2016 forecast. Using 2009-2013 order volume data yield similar results, i.e., 19 order types, not 32 as ORA asserts, have experienced steadily declining order volumes, again primarily due to Smart Meter implementation which SDG&E accounts for in its forecasted order volumes.

## TABLE SAF-4

## Order Volume Patterns by Order Type Based on 2009-2014 Order Volumes[29]

| Order Types With Continually Declining Volumes Each Year | Order Types With Up and Down, Fluctuating Volumes Each Year |
|---|---|
| 1. Change of Account – Electric* | 1. Change of Account – Gas* |
| 2. Change of Account – Gas & Elec* | 2. Collections – First Call** |
| 3. Change of Account – Give Notice* | 3. Collections – Third Call** |
| 4. Change of Account – RTO* | 4. CSO – Appliance Adjustments |
| 5. Collections - Credit Shut Off* | 5. CSO – Appliance Mechanic Work |
| 6. Collections – Second Call** | 6. CSO - Carbon Monoxide – Emergency |
| 7. Gas Leaks – Non-Hazard*** | 7. CSO – Carbon Monoxide – Non Emergency |
| 8. HBI* | 8. CSO – High Pressure |
| 9. Turn On/Shutoff – Give Notice Cut* | 9. CSO – No Gas |
| 10. Turn On/Shutoff – Shutoff – Elec* | 10. CSO - Other Misc Gas & Elec Customer Requests |
| 11. Turn On/Shutoff – Shutoff – Gas and Elec* | 11. CSO – School Leak Surveys |
| 12. Turn On/Shutoff – Shutoff in Error* | 12. CSO – Seasonal Off |
| 13. Turn On/Shutoff – Soft Shutoff Gas Elec* | 13. CSO – Seasonal On Multiples |
| 14. Turn On/Shutoff – Soft Turn On Gas Turn On Elec* | 14. CSO – Seasonal On Singles |
| 15. Turn On/Shutoff – Turn On Elec* | 15. Fumigation/Bug Fogger |
| 16. Turn On/Shutoff – Turn On Gas/Elec* | 16. Gas Leaks – Emergency B&B Inside |
| 17. CSF – Incomplete* | 17. Gas Leaks – Emergency B&B Outside |
| | 18. Emergency – Agency Requests |
| | 19. Gas Leaks – Fire & Explosions |
| | 20. Gas Leaks - Hazard |
| | 21. Meter Work Capital – Header Work |
| | 22. Meter Work Capital – Meter Sets - Electric |
| | 23. Meter Work Capital – Meter Sets - Gas |
| | 24. Meter Work - O&M – Atmospheric Corrosion |
| | 25. Meter Work - O&M - CURB |
| *Impacted by Smart Meter implementation. SDG&E used BY 2013 orders-to-active meters to forecast order volumes since 2013 was the first full year post Smart Meter implementation. | 26. Meter Work - O&M - Cust/Company Change - Elec |
| | 27. Meter Work - O&M – Cust/Company Change - Gas |
| | 28. Meter Work (O&M) – Cust/Company Test (Change) - Gas |
| ** Impacted by a change in Collections procedures, which SDG&E accounted for in its TY 2016 forecast. | 29. Meter Work (O&M) – Misc Company Work* |
| | 30. Meter Work (O&M) – Periodic Test Change - Gas |
| *** Impacted by a shift in nonhazardous to hazardous order categorization which SDG&E accounted for in its TY 2016 forecast. | 31. Non Pay Turn On* |
| | 32. Read Verify – Rereads* |
| | 33. Turn On/Shutoff – Cust /Company Remove/Reset – Elec |
| | 34. Turn On/Shutoff – Cust /Company Remove/Reset – Gas |
| | 35. Turn On/Shutoff – Shutoff – Elec* |
| | 36. Turn On Gas* |
| | 37. Misc – Houseline Test Purge – O&M |

[29] Source: Exs. SDG&E-13, pages SAF-6-11, and SDG&E-13-WP, pages 28-80, updated to include 2014 data in Appendix A of this testimony.

| | |
|---|---|
| | 38. Misc – Houseline Test Purge – Capital |
| | 39. Smart Meter* |

As an example, Table SAF-5 below illustrates an order type impacted by Smart Meter, i.e., Read Verify – Reread work orders.[30] SDG&E incorporated the effects of Smart Meter by using BY 2013 order volumes,[31] whereas (based on 2009-2013 order volume patterns) use of a multi-year average would likely overstate order volumes for this order type post Smart Meter implementation.

**TABLE SAF-5**

**Order Volume Forecast for "Read/Verify" Work Order**

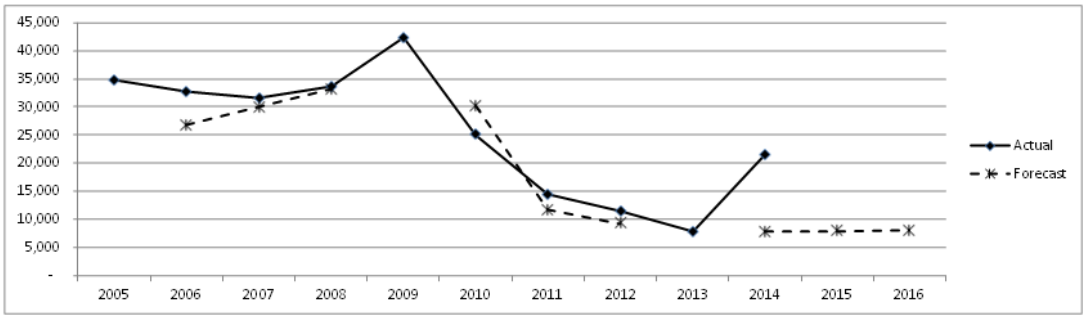
**READ VERIFY - REREADS**

**Source** Company Work
**Order Group** Read/Verify
**Order Type** REREADS

**Description:** This order type is used when a meter is re-read for billing or other purposes.

| Historical Averages | |
|---|---|
| 5-Yr Avg | 20,193 |
| 4-Yr Avg | 14,685 |
| 3-Yr Avg | 11,219 |

| Order Counts | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Actual | 34,834 | 32,730 | 31,554 | 33,683 | 42,225 | 25,082 | 14,400 | 11,470 | 7,788 | 21,527 | | |
| Forecast | | 26,690 | 29,938 | 33,185 | | 30,143 | 11,784 | 9,333 | | 7,868 | 7,949 | 8,029 |




**Forecasting Method:** Base Year (Orders to Total Active Meters)

This order was impacted by Smart Meter. 2013 is the first full year post Smart Meter implementation.

SDG&E

[30] Excerpt from SDG&E-13-WP, page 64, updated to include 2014 order volume.
[31] 2014 order volume data was not available when SDG&E submitted its Application in November 2014.

On the other hand, 39 of the 56 work order types (nearly 70%) have experienced year-to-year, up and down fluctuations in order volumes during the period from 2009-2014, reinforcing the fact that it would not be appropriate to forecast TY 2016 total order volumes using a single year as ORA proposes. SDG&E's order type-by-order type forecasting methodology takes into consideration fluctuations in order volumes from year to year and the fact that such fluctuations are largely due to external factors outside the utility's control (e.g., weather, the state of the economy, customer turnover, structure fires, customer reports of potential gas leaks, etc.).

Table SAF-6 below provides an example of a work order type, i.e., Seasonal On - Multiples,[32] for which order volumes fluctuate up and down from year to year, and for which SDG&E therefore uses a multi-year average forecast methodology to forecast TY 2016 order volumes and associated costs.[33]

//

//

//

[32] Excerpt from SDG&E-13-WP, page 43, updated to include 2014 order volume.

[33] It should be noted also that UCAN specifically states that it supports SDG&E's five-year average forecasting methodology for the "Seasonal On Multiples" work order type. (Ex. UCAN-Fulmer, page 102, footnote 210) In fact, with the exception of two of the fifty-six order types, UCAN does not contest SDG&E's individual order volume forecasts for any order type (Ex. UCAN-Fulmer, pages 99-103).

## TABLE SAF-6

## Order Volume Forecast for "Seasonal On – Multiples" Order Type

**CSO - SEASONAL ON MULTIPLES**

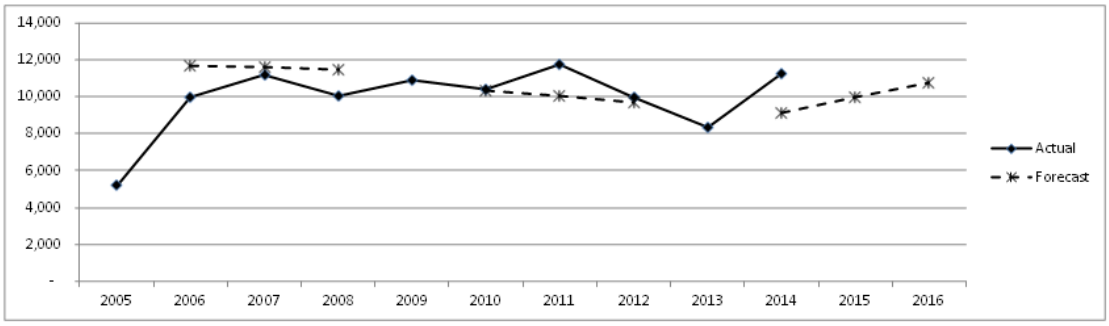
| | |
|---|---|
| **Source** | Customer Work |
| **Order Group** | *CSO* |
| **Order Type** | SEASONAL ON MULTIPLES |

**Description:** This order type is used when a multi-unit premise, such as an assisted living establishment, requests that a service technician light the pilots on gas space heating appliances. The appliances are also checked for safety.

| Historical Averages | |
|---|---|
| 5-Yr Avg | 10,256 |
| 4-Yr Avg | 10,097 |
| 3-Yr Avg | 10,005 |

**Order Counts**

| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Actual | 5,172 | 9,967 | 11,170 | 10,016 | 10,893 | 10,373 | 11,726 | 9,951 | 8,339 | 11,228 | | |
| Forecast | | 11,687 | 11,579 | 11,472 | | 10,339 | 10,020 | 9,700 | | 9,139 | 9,939 | 10,739 |




**Forecasting Method:** 5-Year Avg (Orders to Active Gas Meters)

Volumes fluctuate from year to year and are impacted by external factors outside the company's control, e.g., weather fluctuations.

SDG&E

ORA's proposed forecast methodology (i.e., the sole use of 2014 costs) ignores the fact that order volumes for work order types not impacted by Smart Meter implementation fluctuate from year to year. ORA's forecast methodology (use of 2014 costs only) is flawed and based on erroneous assertions and must therefore be rejected.

Fourth, ORA states, *"SDG&E's testimony and workpapers did not include any historical cost data associated with each of its fifty-six work order types for analysis." (Ex. ORA-13, page 11, lines 13-15)*

While SDG&E has not historically captured and tracked costs by individual work order type, SDG&E provided ORA with historical data necessary to estimate such costs including, for example, applicable wage rates for field technicians (Ex. SDG&E-13-WP, pages 19 and 26), historical order volumes by order type (Ex. SDG&E-13, pages 9-11), historical average drive

time per work order (SAF-13, page 12), and historical average on premise time per work order (Ex. SDG&E-13, page 13).

More importantly, SDG&E provided ORA with a compact disc ("CD") copy of the Excel forecasting model SDG&E used as the basis for its TY 2016 forecast (Ex. SDG&E-13-WP, pages 15-27), including all forecasting assumptions for each specific work order type. The model contains the order volume forecast for each order type. The model then factors in multiple variables (i.e., on premise time per work order, drive time per order (to travel to and from each work order), vacation & sickness rates, non-job time rates (e.g., for start/end of day non-order work, breaks, etc., and meeting/training time rates)) to calculate the necessary hours (FTEs) to perform the volume of forecasted work. To determine required funding, SDG&E multiplied the total hours by a blended wage rate. For the TY 2016 forecast, SDG&E used 2013 base year data to calculate a blended wage rate of $38.34 per hour. This rate is a blend of all CSF job classifications and includes straight-time and overtime.

ORA has not raised any objections or concerns, or contested in any way, any of the forecasting assumptions SDG&E used in its forecasting model. Rather, ORA merely makes a broad-brush and erroneous assumption that because "historical costs" are not captured and tracked by order type, it is not possible to forecast future costs. ORA's assertion that the TY 2016 forecast must equal 2014 costs, strictly because historical costs are not available by order type, is not based on the facts presented in Exs. SDG&E-13 and SDG&E-13-WP and should be rejected.

**b. <u>Adjustment to Account for Customer Growth</u>**

ORA states,

> *In SDG&E's TY 2008 and 2012 GRCs, it included requests for incremental funding associated with meter growth for this work group, but its order volumes show declines between 2009-2013, in spite of its meter growth. With this in mind, SDG&E's forecast for order volumes should not be based on its meter growth. (Ex. ORA-13, page 11, lines 17-20)*

ORA opposes SDG&E's request for $429,000 in incremental funding to cover projected TY 2016 costs resulting from customer growth. SDG&E's forecast reflects customer utilization of CSF services on an average-orders-per-active meter (i.e., customer) basis. In its forecasting model (Ex. SDG&E-13-WP, pages 15-27), SDG&E applied this "CSF usage rate" to the

forecasted growth in the number of gas customers projected in the testimony of SDG&E witness Rose-Marie Payan (Ex. SDG&E-32) and the number of electric customers projected in the testimony of SDG&E witness Kenneth E. Schiermeyer (Ex. SDG&E-31) to forecast TY 2016 order volumes. Table SAF-7 below provides an illustrative example of the way SDG&E accounts for customer growth in its TY 2016 forecast. SDG&E utilized the same methodology in at least its last two GRC proceedings (TY 2009 and TY 2012). SDG&E also utilized the same methodology in developing its call volume forecast (Ex. SDG&E-14, page BMB-50), for which ORA raised no objections (Ex. ORA-13). Given that it is typically customer calls to SDG&E's call center that result in work orders being completed at customer premises, ORA's use of an inconsistent forecast methodology for the impact of customer growth on CSF orders should be rejected.

**TABLE SAF-7**

**SDG&E's Orders per Active Meters Forecast Methodology**

| | Historical | | | | | Forecast | Forecast Methodology |
|---|---|---|---|---|---|---|---|
| | **2009** | **2010** | **2011** | **2012** | **2013** | **2016** | |
| Active Meters[34] | 842,442 | 847,305 | 852,135 | 856,440 | 861,573 | 891,506 | |
| CSO – No Gas | 9,504 | 10,447 | 14,273 | 12,768 | 13,913 | **12,734** | 5-Year Average |

$$\textbf{2016 Order} = \text{Average}\left(\frac{2009\ \text{Orders}}{2009\ \text{Meters}}; \frac{2010\ \text{Orders}}{2010\ \text{Meters}}; \frac{2011\ \text{Orders}}{2011\ \text{Meters}}; \frac{2012\ \text{Orders}}{2012\ \text{Meters}}; \frac{2013\ \text{Orders}}{2013\ \text{Meters}}\right) \times 2016\ \text{Meters}$$

$$\mathbf{12,734} = \text{Average}\left(\frac{9{,}504}{842{,}442}; \frac{10{,}447}{847{,}305}; \frac{14{,}273}{852{,}135}; \frac{12{,}768}{856{,}440}; \frac{13{,}913}{861{,}573}\right) \times 891{,}506$$

$$\mathbf{12,734} = \text{Average}\,(0.011281496; 0.012329682; 0.016749693; 0.014908221; 0.01614837) \times 891{,}506$$

$$\mathbf{12,734} = 0.01428349 \times 891{,}506$$

ORA's above assertion is also based on flawed assumptions. As set forth numerically in Ex. SDG&E-13, pages 9-11, and graphically in SDG&E-13-WP, pages 28-80, and Appendix A of this testimony, nearly 70% of SDG&E's CSF work order types have experienced year-to-year

[34]Because this order type is related only to gas, the "active meter" count includes only gas meters, not electric meters.

fluctuations in volumes from 2009-2013 and 2009-2014. In fact, although volumes have historically fluctuated from year to year, many of the 70% trended upward in volume during the period 2009-2013, as reflected on pages 35, 36, 37, 39, 50, 58, 61, 62, 69, 76, 77 and 78 of SDG&E-13-WP, for example.

Lastly, ORA's proposal to disallow any funding for customer growth implies that new customers should not be afforded the same CSF services as existing customers, which would not be appropriate, is illogical and should be rejected.

**c. Adjustment to Account for Increased Drive Time Resulting From Increased Traffic Congestion**

As mentioned previously, ORA's testimony regarding SDG&E is silent on the issue of drive time even though ORA indicates it supports an annual 1% increase in drive time due to increased traffic congestion for SoCalGas.[35] Like SoCalGas, SDG&E based its adjustment for drive time on the same INRIX study of traffic congestion that SoCalGas relied upon, and on the fact that, like SoCalGas, SDG&E's average drive time per order steadily increased (by more than 1% per year) from 2009-2013.[36] For these reasons, SDG&E's TY 2016 forecast of $0.147 million for incremental costs associated with incremental drive time resulting from increased traffic congestion should be adopted.

**d. New Services for Customers – Enhanced Customer Education and Outreach Safety Checks**

ORA states, *"SDG&E's historical expenses include embedded costs for performing customer appliance safety checks and costs for various resources to educate customers on SDG&E's programs." (Ex. ORA-13, page 12, lines 3-5)*

ORA opposes SDG&E's request for $561,000 in funding beginning in TY 2016 for new customer outreach safety checks, as set forth in Ex. SDG&E-13 (pages 15-16). ORA also opposes SDG&E's request for $231,000 in funding beginning in TY 2016 for new, expanded customer education while field technicians are on customer premises, as set forth in Ex. SDG&E-13 (page 15). ORA's assertion ignores the facts associated with SD&E's requests.

As set forth in Ex. SDG&E-13 (pages 15-16), the proposed outreach safety checks are for

[35] In Ex. ORA-13, page 52, lines 13-14, ORA states, "ORA does not take issue with SCG's projected 1% increase in drive time for TY 2016."
[36] Ex. SDG&E-13, page SAF-12, Table SAF-7.

SDG&E customers who have not used any CSF services during at least the past seven years.[37] Therefore, there are no historical embedded costs that can be reallocated for this purpose as ORA suggests. Similarly, SDG&E field technicians have not yet begun spending an additional 1.5 minutes with customers, while on premises, as SDG&E proposes, to educate customers on the need for carbon monoxide (CO) detectors, as well as demonstrate using their new mobile data terminals (MDTs) the types of safety, program and other information available to customers on SDG&E's website. Senate Bill 183, the law requiring CO detectors, was just recently enacted.[38] And, as also explained in Ex. SDG&E-13, page 15, lines 1-21, SDG&E's field technicians have not historically had access to the Internet in the field. Therefore there are no historical embedded costs as ORA suggests.

ORA does not object to the merits of providing the two new services for customers that SDG&E is proposing. In fact, in its testimony regarding identical new services proposed by SoCalGas (Ex. ORA-13, page 54, lines 11-12), ORA recommends that SoCalGas be provided with incremental funding in TY 2016. ORA provides no basis in its testimony for treating SDG&E and SoCalGas inconsistently for identical services; therefore ORA's proposed disallowances for these two new SDG&E services should be rejected.

Second, ORA states,

> *ORA recommends that the Commission direct SDG&E to plan, develop and implement customer pilot programs in the TY to track the interest/requests made by customers and the related costs incurred on SDG&E's proposed new customer offers/options. (Ex. ORA-13, page 12, lines 5-8)*

ORA proposes that SDG&E be required to implement pilot programs, without any funding to do so. Without the necessary funding, SDG&E would not be able to implement the proposed new services, even on a pilot basis.

Costs associated with conducting customer outreach safety checks, as SDG&E proposes (for customers who have not used SDG&E CSF services in at least the past seven years), include

[37] SDG&E maintains customer-specific records of completed CSF work orders for a period of seven years.

[38] SB 183, effective January 1, 2011 for new construction, requires customers to install CO detectors in all inhabited residences. The effective date of SB183 is July 1, 2011 for existing single family dwellings and January 1, 2013 for multi-family dwellings and buildings such as apartments and hotels.

not only the $595,000 TY 2016 cost sponsored by witness Sara Franke (Ex. SDG&E-13, pages 15-16), but also $48,000 in labor and $281,000 in non-labor costs sponsored by witness Brad Baugh (Ex. SDG&E-14, pages BMB-54 and BMB-101).[39] If the Commission orders SDG&E to conduct a pilot program for SDG&E's proposed customer outreach safety checks, the Commission must approve all the costs associated with offering this new service to customers, even in a pilot program.[40] Similarly, if the Commission requires field technicians to spend an additional 1.5 minutes on customer premises, to pilot the enhanced customer education SDG&E proposes, the Commission must authorize the $245,000 in incremental funding sponsored by witness Sara Franke (Ex. SDG&E-13, page 15) and $19,000 in non-labor costs sponsored by witness Brad Baugh (Ex. SDG&E-14, page 101) requested by SDG&E for this new service. To the extent funding is authorized in this rate case, SDG&E is certainly willing to report in its next rate case, the results of these two new services.[41]

As mentioned previously, ORA treats SoCalGas and SDG&E inconsistently in its testimony, i.e., ORA recommends incremental funding for SoCalGas' new service offerings whereas ORA rejects incremental funding for identical proposed new service offerings for SDG&E customers.[42] ORA provides no rationale for this differentiated treatment of identical programs between SDG&E and SoCalGas. Given that ORA recommended incremental funding for SoCalGas,[43] SDG&E should be granted incremental funding for identical new services.

Third, ORA states, *"SDG&E should have embedded historical costs from completed or eliminated projects that can be reallocated to address its proposed activities in the Test Year." (Ex. ORA-13, page 12, lines 9-10)*

[39] SDG&E witness Brad Baugh (Ex. SDG&E-14, page BMB-54) sponsors costs associated with mailing postcards to targeted customers explaining this service, and responding to customer calls from these customers to schedule such service.

[40] Although ORA does not describe or define the scope of a "pilot program", SDG&E infers that a pilot program is more limited in scope and scale than a program offered to all customers. Therefore, a pilot program would target a smaller population than the total customer base. Moreover, incremental GRC funding would be needed to properly administer, manage and assess the pilot program(s).

[41] Tracking and reporting would be completed within any current system constraints as SDG&E has not requested incremental funding to make any system changes associated with these two proposed new services.

[42] Ex. ORA-13, page 54, lines 11-12.

[43] ORA recommended dividing SoCalGas' requested funding level by three. (Ex. ORA-13, page 54, lines 11-12).

ORA makes this assertion without providing any examples or facts to support its position. In an effort to seek clarification, SDG&E sent a data request to ORA asking the following question:[44]

> At Exhibit ORA-13, when referring to SDG&E's request for incremental funding for the CSF cost categories, ORA states "SDG&E should have embedded historical costs from completed or eliminated projects that can be reallocated to address its proposed activities in the Test Year." For each location listed below where ORA recommends this, please indicated which specific completed or eliminated projects ORA is referring to.
>
> a. CSF Operations on page 12, lines 9-10
>
> b. CSF Support on page 14, lines 4-6

ORA responded to SDG&E's data request as follows:

> In regards to "which specific completed or eliminated projects ORA is referring to" see ORA's testimony pages 9-12. Note that SDG&E states that its CSF Operations costs "are primarily driven by work order volumes." SDG&E's total work order volumes declined by 406,493 between 2009-2013, from 725,946 in 2009 to 319,453 in 2013. **ORA was not able to compare SDG&E's forecast project costs to past project costs or determine which projects have been completed or eliminated. ORA assumes that SDG&E has at least completed some projects successfully and that those costs can be reallocated to fund new activities. [emphasis added]** SDG&E's testimony and workpapers did not include any historical cost data associated with each of its fifty-six work order types for analysis.

The fact that ORA makes an assumption regarding projects does not make it so. ORA does not provide any basis for its assertion, nor does ORA identify any specific costs it proposes to reallocate. Contrary to ORA's assertion, the CSF Operations cost category is focused on completing customer- and company-generated work orders at customer premises, not completing projects. There are no project costs that can be reallocated. Where process improvements have been undertaken, the associated cost reductions have already been incorporated into SDG&E's TY 2016 forecast.[45]

Given that CSF Operations expenses are driven by the activity levels (order volumes) performed, ORA's proposal implies that SDG&E should no longer respond to customer requests for CSF service in order to reallocate resources to new activities being proposed by SDG&E.

[44] A copy of SDG&E's data request, SEU-ORA-DR-06, Q.5., and ORA's response are provided in Appendix B.
[45] Ex. SDG&E-13, page 14, lines 11-22.

For the aforementioned reasons, ORA's assertion and incorrect assumption should be rejected.

**e. Operator Qualification Training and AT&T Wireless Fees**

With respect to the other cost elements listed in Table SAF-3 above, ORA's testimony is silent regarding SDG&E's request for $0.038 million in incremental funding for more frequent and expanded Operator Qualification ("OpQual") training. ORA's testimony is also silent with respect to SDG&E's request for $0.037 million in incremental funding for AT&T wireless fees associated with the new MDTs now used by field technicians. In its testimony regarding SoCalGas, ORA supports a portion of the incremental funding SoCalGas requests for similar changes to OpQual training. ORA supports SoCalGas' forecast for the entire incremental cost for AT&T wireless network access fees.[46] Given the rationale for these incremental costs is the same for SDG&E as it is for SoCalGas, SDG&E's incremental funding requests should be adopted.

**2. UCAN**

In its testimony, UCAN makes the assertions reproduced below regarding SDG&E's TY 2016 order volume forecasts for two CSF work order types ("Seasonal Off" and "Seasonal On Singles" work orders), each of which will be addressed below.

UCAN states,

> *Given the declining trend, it is more appropriate to base the forecast of future seasonal CSO volume on the most recent year of data, as Ms. Franke did for SoCalGas, than it is to employ a five-year average as was done for SDG&E; however it would be preferable still to use an alternate methodology that would capture the declining trend. (UCAN-Fulmer, page 100, lines 6-10)*

Ex. SDG&E-13-WP (pages 28-80) contains order volume graphs showing historical order volume patterns, as well as the basis for SDG&E's TY 2016 order volume forecasts, for each CSF work order type. The charts for all three SDG&E seasonal order types to which UCAN refers in its testimony are replicated in Tables SAF-8, 9 and 10 below, updated to include 2014 order volume data.

[46] Ex. ORA-13, pages 57, lines 22-24, and page 66, lines 8-9.

# TABLE SAF-8

## SDG&E's TY 2016 Order Volume Forecast for "Seasonal Off" Work Orders

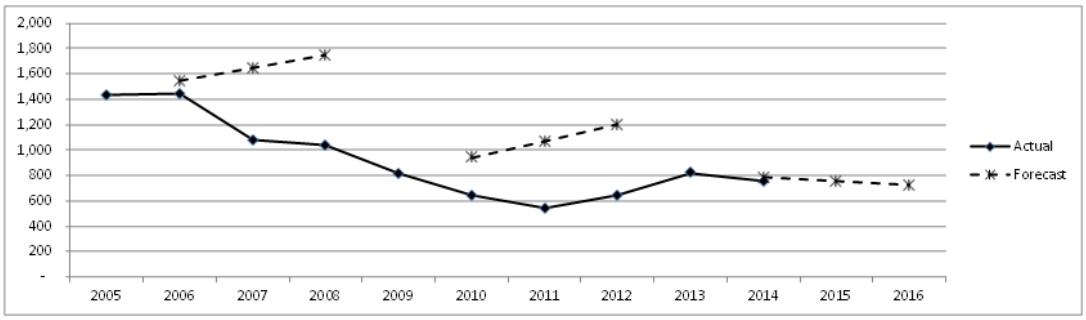
### CSO - SEASONAL OFF

**Source** Customer Work
**Order Group** *CSO*
**Order Type** SEASONAL OFF

**Description:** This order type is used when a customer requests the gas to be shut off on a heating appliance. The field technician performs a safety check of the appliance and leaves the appliance off.

| Historical Averages | |
|---|---|
| 5-Yr Avg | 691 |
| 4-Yr Avg | 661 |
| 3-Yr Avg | 668 |

| Order Counts | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Actual | 1,436 | 1,440 | 1,076 | 1,036 | 811 | 639 | 541 | 642 | 821 | 756 | | |
| Forecast | | 1,542 | 1,646 | 1,751 | | 941 | 1,072 | 1,202 | | 788 | 756 | 723 |




**Forecasting Method:** 5-Year Avg (Orders to Active Gas Meters)

Volumes fluctuate from year to year and are impacted by external factors outside the company's control, e.g., weather fluctuations.

SDG&E

# TABLE SAF-9

## SDG&E's TY 2016 Order Volume Forecast for "Seasonal On Multiples" Work Orders

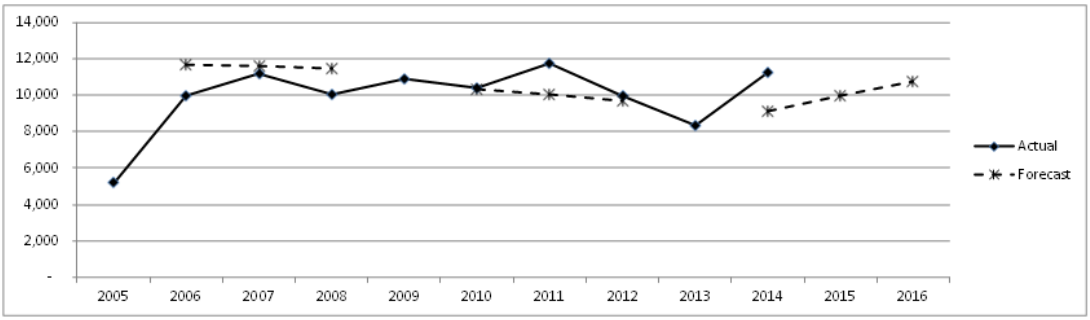
### CSO - SEASONAL ON MULTIPLES

**Source** Customer Work
**Order Group** *CSO*
**Order Type** SEASONAL ON MULTIPLES

**Description:** This order type is used when a multi-unit premise, such as an assisted living establishment, requests that a service technician light the pilots on gas space heating appliances. The appliances are also checked for safety.

| Historical Averages | |
|---|---|
| 5-Yr Avg | 10,256 |
| 4-Yr Avg | 10,097 |
| 3-Yr Avg | 10,005 |

| Order Counts | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Actual | 5,172 | 9,967 | 11,170 | 10,016 | 10,893 | 10,373 | 11,726 | 9,951 | 8,339 | 11,228 | | |
| Forecast | | 11,687 | 11,579 | 11,472 | | 10,339 | 10,020 | 9,700 | | 9,139 | 9,939 | 10,739 |




**Forecasting Method:** 5-Year Avg (Orders to Active Gas Meters)

Volumes fluctuate from year to year and are impacted by external factors outside the company's control, e.g., weather fluctuations.

SDG&E

## TABLE SAF-10

## SDG&E's TY 2016 Order Volume Forecast for "Seasonal On Singles" Work Orders

**CSO - SEASONAL ON SINGLES**

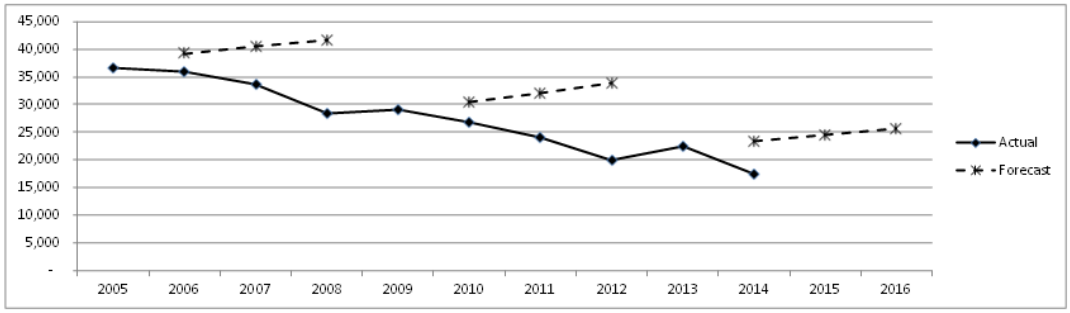
| | |
|---|---|
| **Source** | Customer Work |
| **Order Group** | *CSO* |
| **Order Type** | SEASONAL ON SINGLES |

**Description:** This order type is used when a customer (single-unit premise) requests that the pilot on their gas space heating appliance be lit. The appliance is also checked for safety.

| Historical Averages | |
|---|---|
| 5-Yr Avg | 24,466 |
| 4-Yr Avg | 23,329 |
| 3-Yr Avg | 22,151 |

**Order Counts**

| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Actual | 36,514 | 35,918 | 33,668 | 28,348 | 29,012 | 26,862 | 24,102 | 19,982 | 22,370 | 17,344 | | |
| Forecast | | 39,206 | 40,404 | 41,601 | | 30,402 | 32,099 | 33,796 | | 23,455 | 24,540 | 25,626 |




**Forecasting Method:** 5-Year Avg (Orders to Active Gas Meters)

Volumes fluctuate from year to year and are impacted by external factors outside the company's control, e.g., weather fluctuations.

SDG&E

The graph UCAN presents in its testimony (Ex. UCAN-Fulmer, page 100, Figure 20) as a basis for adopting the same forecast methodologies for both SDG&E and SoCalGas is an apples-to-oranges comparison of SDG&E and SoCalGas seasonal order types. That is, UCAN's graph for SDG&E excludes "Seasonal On Multiples" whereas SoCalGas' "Seasonal On" order type includes "multiples" (i.e., orders completed at multi-unit premises) in the "Seasonal On" order category. Given the year-to-year, up and down fluctuations in order volumes for SDG&E's "Seasonal Off" and "Seasonal On Multiples" order types from 2009-2013, as reflected in Tables SAF 8 and 9 above, and the fact that these order types are largely driven by weather, which is outside SDG&E's control, SDG&E's use of a five-year average forecasting methodology is reasonable for these two seasonal order types.[47]

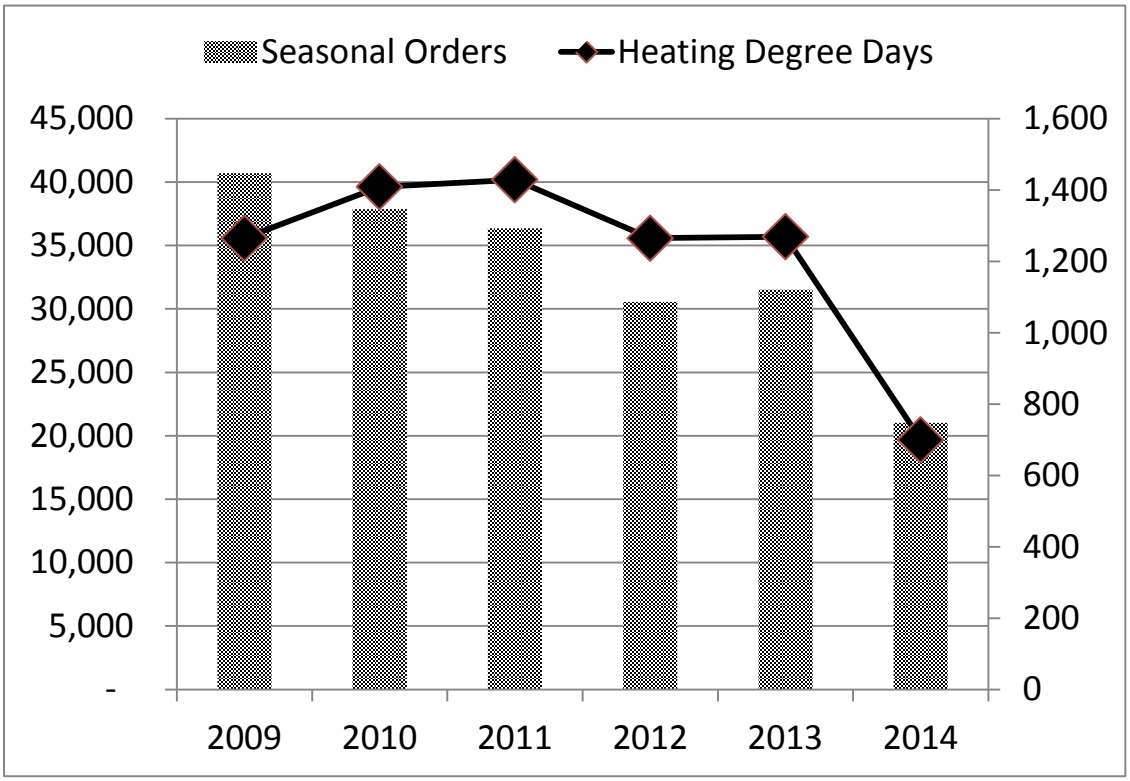
With respect to "Seasonal On Singles" work orders, SDG&E recognizes that, all other things including weather being equal, order volumes would likely decline over time due to the

[47] UCAN supports SDG&E's use of a five-year average for the "Seasonal On Multiples" order type. (Ex. UCAN-Fulmer, page 102, Footnote 210).

fact that forced air space heating appliances in single-family dwellings are gradually being replaced with pilotless ignition units. However, the impact that weather has on seasonal order volumes cannot be ignored. As reflected in Table SAF-11 below, there is a strong correlation between weather (e.g., Heating Degree Days, or "HDD") and SDG&E's seasonal order volumes.

**TABLE SAF-11**

**Correlation between Seasonal Order Volumes and Heating Degree Days**




The large decline in order volume for "Seasonal On Singles" work orders in 2014 was an anomaly due to the unusual and significant drop in HDDs in 2014 compared to the previous five years shown in Table SAF-11 above. However, all factors considered, for the TY 2016 order volume forecast for SDG&E's "Seasonal On Singles" order type, SDG&E agrees with UCAN that it would be reasonable to use BY 2013 order volumes for this particular order type, as SoCalGas did for its "Seasonal On" orders. Using BY 2013 order volumes for the TY 2016 forecast, rather than a five-year average, would result in a $0.149 million reduction in SDG&E's TY 2016 forecast of expenses.

Second, UCAN states,

> *In order to capture the declining trend in the data, the forecast should use an exponential trend analysis using the full set of historical data provided in the utilities' workpapers (2005-2013 data). Using this data, a more realistic forecast for both SDG&E and SoCalGas can be made that captures the historical decline seen in the data. Use of an exponential trend forecast would decrease the SDG&E and SoCalGas projections of Seasonal CSO work order volume. The results of the exponential forecast for SDG&E and SoCalGas are shown in Table 11 and Table 12 below.*[48] *(UCAN-Fulmer, page 101, lines 2-7)*

*UCAN Table 11: Comparison of SDG&E and UCAN forecasts for Seasonal CSO*

| *Seasonal Off* | *2014* | *2015* | *2016* |
|---|---|---|---|
| *SDG&E* | *788* | *756* | *723* |
| *UCAN* | *732* | *652* | *581* |
| | *-7%* | *-14%* | *-20%* |
| *Seasonal On (Singles)* | | | |
| *SDG&E* | *23,455* | *24,540* | *25,626* |
| *UCAN* | *20,715* | *19,182* | *17,762* |
| | *-12%* | *-22%* | *-31%* |

(Note: The percentages in UCAN's above table reflect the percentage reduction UCAN proposes making to SDG&E's order volume forecasts, i.e., the percentage difference between the rows marked as "UCAN" and "SDG&E".)

SDG&E takes issue with UCAN's proposed alternative forecasting methodology for "Seasonal Off" and "Seasonal On Singles" order volumes. Table SAF-12 below compares the percentage change in actual order volumes during each of the past three years versus the average annual percentage change in order volumes proposed by UCAN for the next three years, 2014-2016.

[48] UCAN's Table 11, comparing UCAN's forecast with that of SoCalGas, is reproduced in the rebuttal testimony of SoCalGas witness Sara Franke (Ex. SCG-210).

**TABLE SAF-12**

**Actual Versus Forecasted Order Volume Comparison – Percentage Change per Year**

| **"Seasonal Off" Orders** | **2011** | **2012** | **2013** | **2014** | **2015** | **2016** |
|---|---|---|---|---|---|---|
| Percentage Change in Actual Order Volume Compared to Prior Year | -15.3% | +18.7% | +27.9% | -7.9% | | |
| Average Annual Percentage Change in Actual Order Volumes | +10.4% (2011-2013)<br>+5.9% (2011-2014) | | | | | |
| SDG&E's Order Volume Forecast[49] | | | | -4.0% | 0.0% | -4.0% |
| Average Annual Percentage Change Based on SDG&E's Forecast | | | | -2.7% | | |
| UCAN's Order Volume Forecast | | | | -10.8% | -13.8%[50] | -10.9% |
| Average Annual Percentage Change Based on UCAN's Forecast | | | | -11.8% | | |
| **"Seasonal On Singles" Orders** | **2011** | **2012** | **2013** | **2014** | **2015** | **2016** |
| Percentage Change in Actual Order Volume Compared to Prior Year | -10.3% | -17.1% | +12% | -22.5% | | |
| Average Annual Percentage Change in Actual Order Volumes | -5.1% (2011-2013)<br>-9.5% (2011-2014) | | | | | |
| SDG&E's Order Volume Forecast[51] | | | | +4.9% | +41.5%[52] | +4.4% |
| Average Annual Percentage Change Based on SDG&E's Forecast | | | | +16.9%[53] | | |
| UCAN's Order Volume Forecast | | | | -7.4% | +10.6% | -7.4% |
| Average Annual Percentage Change Based on UCAN's Forecast | | | | -1.4% | | |

As reflected in Table SAF-12 above, for "Seasonal Off" orders, UCAN's proposed forecast methodology yields an average annual *decrease* in order volumes of 11.8% for the period 2014-2016 whereas order volumes have *increased* an average of 10.4% during the most recent three-year period (2011-2013). UCAN's proposed forecasting methodology yields unreasonable results and should therefore be rejected.

[49] Forecast accounts for projected meter growth, using the orders-per-active-meter forecasting methodology described earlier in this testimony.
[50] Forecasted 2015 order volume compared to actual 2014 order volume.
[51] Forecast accounts for projected meter growth, using the orders-per-active-meter forecasting methodology described earlier in this testimony.
[52] Forecasted 2015 order volume compared to actual 2014 order volume.
[53] The significant drop in 2014 order volumes was an anomaly caused by an unusual and significant drop in the number of HDDs in 2014 compared to the previous five years.

For "Seasonal On Singles" orders, UCAN's proposed forecasting methodology yields more reasonable results than it did for "Seasonal Off" orders, based only on a limited comparison of changes in order volumes during the last three years. However, UCAN's proposed forecasting methodology ignores the impact of weather. A change in weather conditions, e.g., a return to higher HDDs, will likely cause order volumes to increase, in spite of the gradual replacement of forced air units in single family dwellings. Again, all factors considered, use of BY 2013 "Seasonal On Singles" order volumes, rather than a five-year average as SDG&E proposed, would be appropriate for this order type as UCAN suggests above.

Third, UCAN states, *"There is no material difference in the drivers of Seasonal CSO work order volume for SDG&E and SoCalGas. It would be more appropriate to forecast work volumes using the same methodology both utilities."* (Ex. UCAN-Fulmer, page 99, lines 18-20)

UCAN supports SDG&E's use of a five-year average forecasting methodology for SDG&E's seasonal order type, "Seasonal On Multiples"[54], but UCAN proposes an alternative forecasting methodology for SoCalGas' "Seasonal On" orders, which include both multi-family and single-family orders within a single order type. UCAN's own testimony contradicts UCAN's above assertion.

As reflected in the order volume graphs for both SDG&E and SoCalGas (Ex SDG&E-13-WP, pages 42-44, and Ex. SCG-10-WP, pages 38-39), the historical order volume patterns for SDG&E and SoCalGas are different for each of the seasonal order types.[55] Contrary to UCAN's assertion, the historical order volume patterns do not suggest that the drivers impacting order volumes are identical between the two utilities. While drivers may fall into the same general categories, e.g., weather, customer appliance choices, the shift from pilot to pilotless forced air units for single-family dwellings, the state of the economy and energy prices, they manifest themselves very differently in terms of the order volume patterns for each utility, as reflected in the above-referenced workpapers. Therefore, it would be inappropriate to apply the same forecast methodology across all seasonal order types for both SDG&E and SoCalGas. Rather, each order

[54] In Ex. UCAN-Fulmer (page 102, footnote 210), UCAN states, "SDG&E presents two forecasts for Seasonal On CSOs, one for singles and one for multiples. I have adjusted the forecast only for singles because the multiples dataset does not show the declining trend seen in the other CSO datasets. It is therefore reasonable to use SDG&E's forecast for "Seasonal On Multiples."

[55] Seasonal order types for SoCalGas are "Seasonal Off" and "Seasonal On". Seasonal order types for SDG&E are "Seasonal Off", "Seasonal On Singles", and "Seasonal On Multiples".

type forecast must be evaluated on its own merits as SDG&E has done in its TY 2016 forecast.

Aside from the order volume forecasts for SDG&E' three seasonal order types, UCAN did not take issue with, object to, or contest any other aspect of SoCalGas' TY 2016 funding request.

**3. SDCAN**

SDCAN presents the following data and assertion regarding the number of missed appointments and credits SDG&E paid to customers, which are addressed below:

| Year | Orders Scheduled | Missed Appointments | Credit |
|---|---|---|---|
| 2010 | 127,066 | 47 | $1,780 |
| 2011 | 101,386 | 59 | $2,150 |
| 2012 | 84,436 | 66 | $2,580 |
| 2013 | 77,605 | 84 | $3,885 |
| 2014 | 68,195 | 139 | $5,400 |
| Totals | 458,688 | 395 | $15,795 |

SDCAN states,

> *SDCAN is concerned recommends that this trend shows a significantly growing number of appointments missed and credits paid to customers. In light of so many technological communication improvements, these missed appointments and customer credits should be dropping, not increasing. SDG&E should be obligated to split the costs of the program with shareholders until the next SDG&E GRC, at which time, if it provides evidence of reduced missed appointments, the program might, once again, be fully funded by ratepayers. (Ex. SDCAN-Shames, page 29-30)*

As reflected in Table SAF-13 below, SDG&E's missed Service Guarantee appointments comprise less than half a percent of total orders scheduled.

**TABLE SAF-13**

**Missed Appoints as a Percentage of Orders Scheduled**

| **Year** | **Orders Scheduled** | **Missed Appointments** | **% Missed** |
|---|---|---|---|
| 2010 | 127,066 | 47 | 0.04% |
| 2011 | 101,386 | 59 | 0.06% |
| 2012 | 84,436 | 66 | 0.08% |
| 2013 | 77,605 | 84 | 0.11% |
| 2014 | 68,195 | 139 | 0.20% |
| **Totals** | **458,688** | **395** | **0.09%** |

While the percentage of missed appointments is very small as a percentage of orders scheduled, the increase is at least partially attributable to the fact that the volume of Priority1 ("P1") emergency orders increased significantly during the same time period. As reflected in Table SAF-14 below, P1 order volumes have increased by 27% from 2011-2014.[56] During the same time period, SDG&E reduced its emergency P1 order response time from an average of approximately 50 minutes in 2011 to an average of approximately 39.5 minutes in 2014.

**TABLE SAF-14**

**SDG&E Response Time Performance for All P1 Orders**

| Year | P1 Orders | Average Response Time (Minutes) |
|---|---|---|
| 2011 | 6,783 | 50.0 |
| 2012 | 7,208 | 41.5 |
| 2013 | 8,273 | 40.9 |
| 2014 | 8,606 | 39.5 |

The increase in missed appointments was an unintended consequence of increased emergency P1 orders and SDG&E's focus on improving P1 response times. SDG&E has been taking steps to maintain its improved P1 response times while, at the same time, reduce the number of missed appointments, including monitoring daily reports of missed appointments and following up with employees as appropriate to ensure emphasis is being placed on scheduled appointments.

### B. CSF Supervision Cost Category

ORA supports SDG&E's TY 2016 forecast for the CSF Supervision cost category. No other party raised any objections to or contested SDG&E's forecast. Therefore, SDG&E's TY 2016 funding request of $1.484 million for the CSF Supervision cost category should be approved.

### C. CSF Dispatch Cost Category

ORA supports SDG&E's TY 2016 forecast for the CSF Dispatch cost category. No other party raised any objections to or contested SDG&E's forecast. Therefore, SDG&E's TY 2016 funding request of $3.002 million CSF Dispatch should be approved.

[56] Source: Ex. SDG&E-13, page SAF-F-1, updated to include 2014 data.

## D. CSF Support Cost Category

Table SAF-15 below provides a summary comparison of the parties' respective TY 2016 forecasts for each of the elements that make up the CSF Support cost category.

**TABLE SAF-15**

**Summary Comparison – CSF Support Cost Category**

| **TY 2016 Forecast – Constant 2013 ($000)** | | |
|---|---|---|
| | **SDG&E** | **ORA** |
| 2013 Adjusted-Recorded Costs | 2,848 | 2,848 |
| Collections Field Instructor | (72) | 0 |
| Senior Training Instructor | 105 | 0 |
| Training Equipment | 93 | 0 |
| **Total** | **2,974** | **2,848** |

### 1. ORA

ORA takes issue with SDG&E's TY 2016 forecast for the CSF Support cost category and proposes TY 2016 funding equal to 2013 recorded-adjusted costs. ORA's testimony contains the following statements and assertions, regarding the basis for ORA's forecast methodology, each of which is rebutted below.

First, ORA states, "*SDG&E proposes to eliminate a position in TY 2016 and the funding from the eliminated position could be reallocated for its proposed position." (Ex. ORA-13, page 13, lines 1-2)*

In making this recommendation, ORA fails to acknowledge that the job level and corresponding pay are higher for the position SDG&E proposes to establish than the position SDG&E proposes to eliminate (i.e., $0.105 million versus $0.072 million, or a difference of $0.033 million). ORA does not dispute the need for the new position SDG&E is proposing nor the level of pay for either position. Therefore, the $0.033 million incremental cost associated with the two positions shown in Table SAF-4 above should be adopted.

Second, ORA states, *"SDG&E's incremental funding request for one-time costs totaling $93,000 ($31,000 over three years instead of totaling $279,000 over three years) is overstated." (Ex. ORA-13, page 13, lines 2-4)*

As set forth in Ex. SAF-13 (pages SAF-21), SDG&E requests funding to purchase new training equipment (i.e., smart boards and video equipment) that will enable SDG&E to modernize its CSF training program. ORA is correct that the requested $93,000 would be spent in

TY 2016 and be non-recurring. Therefore, SDG&E would not object to adjusting this cost to $31,000 ($93,000 divided by three years). Although ORA does not object to the need for new training equipment, ORA's use of 2013 adjusted-recorded costs causes ORA to exclude this cost from its TY 2016 forecast. For the reasons set forth herein, the Commission should include an incremental $31,000 in TY 2016 funding for training equipment for the undisputed reasons set forth in SDG&E's testimony.[57]

Third, ORA states, *"SDG&E should have embedded historical costs from completed or eliminated projects and positions that can be reallocated to address its proposed activities in the Test Year." (Ex. ORA-13, page 14, lines 4-6)*

ORA suggests that SDG&E "should" have embedded historical costs from completed or eliminated projects and positions that can be reallocated; however ORA does not provide any examples of such costs or positions. As set forth on page 11 of this testimony, ORA's response to data request SEU-ORA-DR-06, Q. 2. confirms that ORA's assumption is just an erroneous assumption. SDG&E has completed capital CSF projects, but any reallocation of capital costs to O&M would result in an increase in O&M costs contrary to ORA's assertion. Because ORA provides no substantiation for its assertion, ORA's recommendation should be rejected.

**2. Other Parties**

UCAN, SDCAN and TURN did not raise any objections to or contest SDG&E's TY 2016 forecast for the CSF Support cost category.

**E. Other Issues**

**1. TURN**

TURN identifies CSF costs totaling $2,034 dollars for "tickets to sporting and cultural events", which TURN proposes be removed from the TY 2016 forecast. TURN states, *"These costs are not necessary to provide utility service and should be removed." (Ex. TURN-Marcus, pages 46-47)*

Non-monetary means are used to recognize employees who go above and beyond the call of duty or achieve extraordinary results. The $2,034 dollar cost incurred for sporting tickets in 2013 was a means SDG&E utilized to differentiate and reward top performance by employees. Recognizing and rewarding top performers in this manner is an appropriate business expense.

[57] Ex. SDG&E-13, page 21, lines 13-22.

## IV. REBUTTAL TO PARTIES' CAPITAL PROPOSALS

### A. Summary Comparison of the Parties' Capital Proposals

Table SAF-16 below provides a summary comparison of the parties' capital proposals.

**TABLE SAF-16**

**Capital Proposals**

| **TOTAL CAPITAL** - Constant 2013 ($000) | | | |
|---|---|---|---|
| | **2014** | **2015** | **2016** |
| SDG&E | 121 | 0 | 0 |
| ORA | 306 | 0 | 0 |

#### 1. ORA

ORA's IT capital witness recommends utilizing 2014 adjusted-recorded capital expenditures for 2014 capital costs.[58]

#### 2. Other Parties

None of the other intervening parties raised any objections or concerns regarding SDG&E's TY 2016 capital forecast.

## V. CONCLUSION

SDG&E presented detailed forecasting assumptions and rationale for each and every TY 2016 funding request put forth in its testimony, none of which have been challenged on their merits by ORA. ORA presents only broad-brushed assertions throughout its testimony, which are not substantiated, are based on erroneous assumptions and/or ignore altogether the details and merits of SDG&E's testimony and workpapers.

UCAN's sole proposal is to modify the forecasting methodology for two of SDG&E's fifty-six work order types, "Seasonal Off" and "Seasonal On Singles" work orders. UCAN does not present an associated dollar amount by which it proposes to reduce SDG&E's TY 2016 forecast of expenses. Regardless, UCAN's proposed forecasting methodology would yield unreasonable and illogical results as illustrated in this rebuttal testimony. If the Commission adopts the use of BY 2013 order volumes for the TY 2016 forecast for "Seasonal On Singles" work orders, as UCAN also suggested, SDG&E's forecast of TY 2016 expenses would need to be reduced by $0.149 million.

[58] Ex. ORA-15, page 2, and Table 15-2 on page 3.

The only issue SDCAN raised pertains to missed appointments, which SDG&E has fully addressed in this testimony. TURN's only proposal – to eliminate $2,034 dollars in employee recognition costs – should also be rejected for the reasons set forth in this testimony.

For the aforementioned reasons, the Commission should adopt SDG&E's TY 2016 forecast of expenses for CSF activities, reject the cost forecasts put forth by ORA, and address UCAN's proposed reduction in "Seasonal On Singles" work order volumes in the manner set forth in this testimony.

This concludes my prepared rebuttal testimony.

**APPENDIX**

**TO**

**REBUTTAL TESTIMONY**

**OF**

**SARA FRANKE**

**ON BEHALF OF SDG&E**

**CUSTOMER SERVICES FIELD**

## APPENDIX ATTACHMENTS

A. Work Order Volume Forecast by Individual Order Type, Updated to Include 2014 Data
B. SDG&E Data Request (SEU-ORA-DR-06) and ORA Responses

# Appendix A - Work Order Volume Forecasts by Individual Order Type, Updated to Include 2014 Data

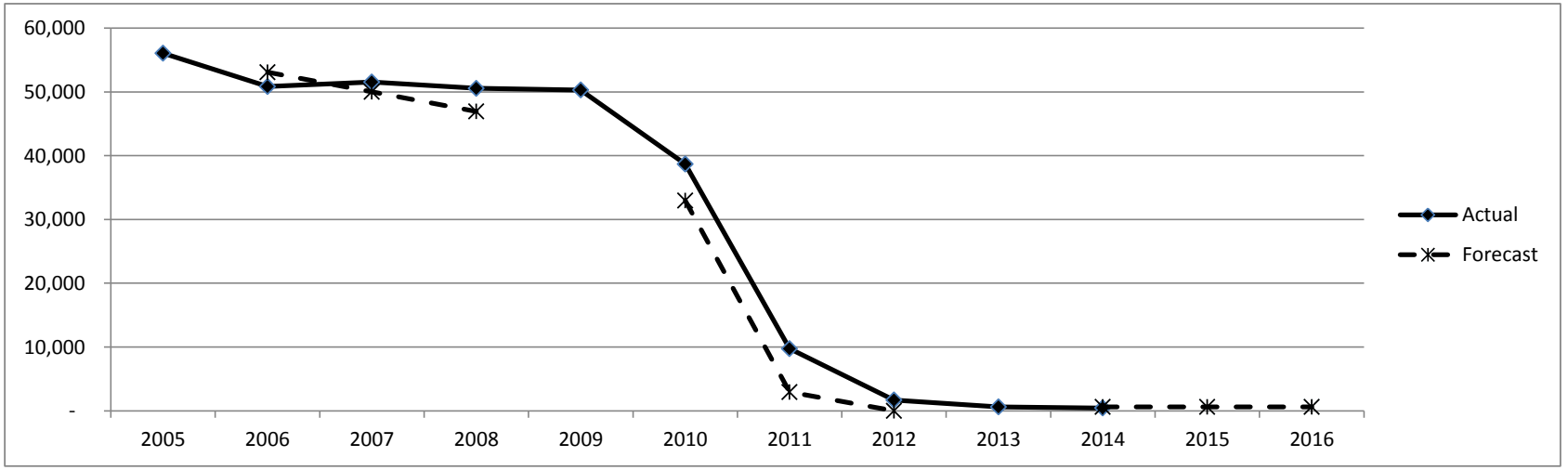
# CHANGE OF ACCOUNT - CA ELEC

**Source** Customer Work
**Order Group** *Change of Account*
**Order Type** CA ELEC

**Description:** This order type is used for field work performed to establish a new customer's account for electric service. No appliance work is performed.

| Historical Averages | |
|---|---|
| 5-Yr Avg | 20,197 |
| 4-Yr Avg | 12,672 |
| 3-Yr Avg | 4,008 |

| Order Counts | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
| Actual | 56,042 | 50,847 | 51,525 | 50,544 | 50,294 | 38,665 | 9,749 | 1,672 | 603 | 435 | | |
| Forecast | | 53,087 | 50,018 | 46,949 | | 32,966 | 2,946 | - | | 609 | 614 | 620 |




**Forecasting Method:** Base Year (Orders to Active Electric Meters)

This order type is impacted by Smart Meter. 2013 is the first full year post Smart Meter implementation.

SDG&E

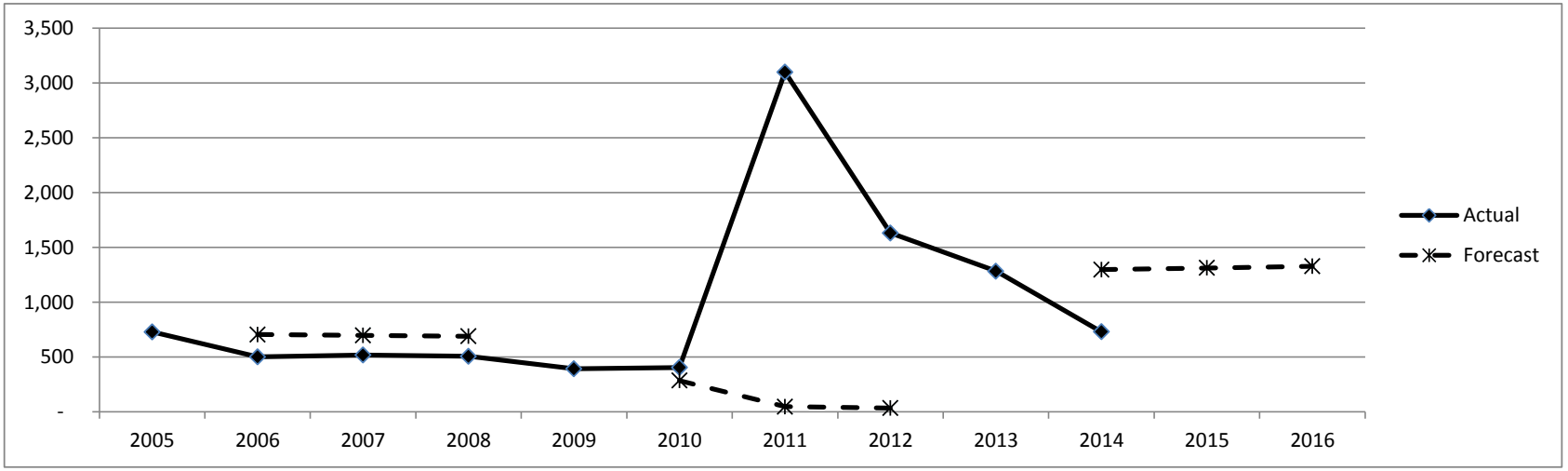
# CHANGE OF ACCOUNT - CA GAS

**Source** Customer Work
**Order Group** *Change of Account*
**Order Type** CA GAS

**Description:** This order type is used for field work performed to establish a new customer's account for gas service. These orders are issued when the gas meter had previously been closed.

| Historical Averages | |
|---|---|
| 5-Yr Avg | 1,361 |
| 4-Yr Avg | 1,604 |
| 3-Yr Avg | 2,004 |

| Order Counts | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
| Actual | 728 | 501 | 516 | 505 | 392 | 402 | 3,099 | 1,631 | 1,282 | 729 | | |
| Forecast | | 704 | 696 | 688 | | 284 | 46 | 32 | | 1,297 | 1,312 | 1,327 |




**Forecasting Method:** Base Year (Orders to Active Gas Meters)

This order type is impacted by Smart Meter. 2013 is the first full year post Smart Meter implementation.

SDG&E

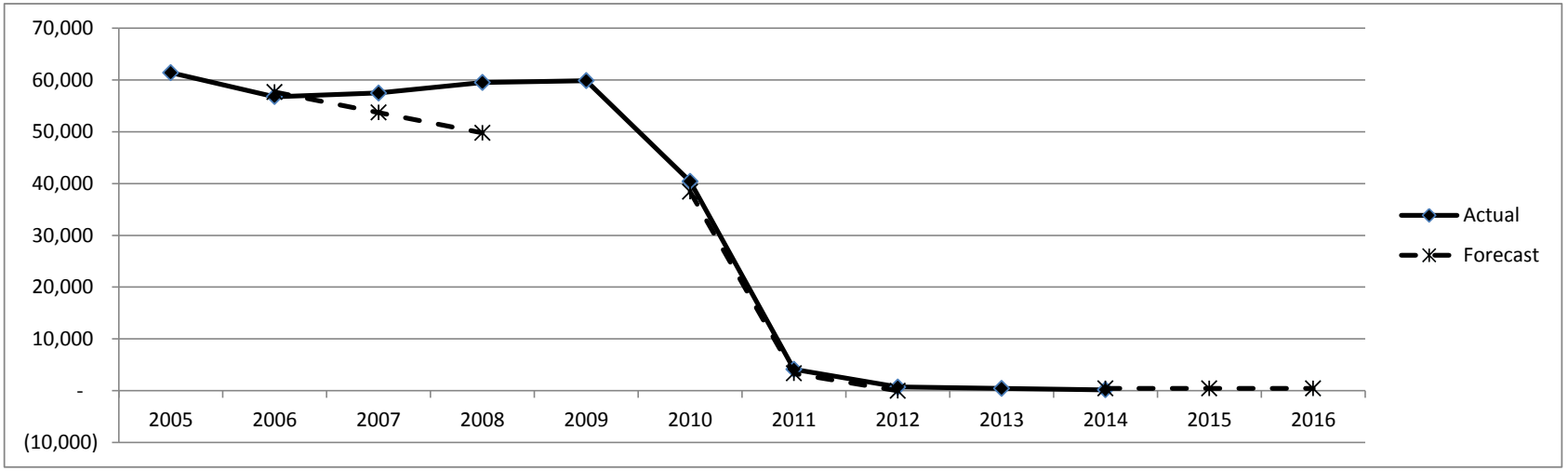
# CHANGE OF ACCOUNT - CA GAS ELEC

**Source** Customer Work
**Order Group** *Change of Account*
**Order Type** CA Gas and Elec

**Description:** This order type is used for field work performed to establish a new customer's account for gas and electric service. These orders are issued when the electricity cannot be turned on remotely and the gas meter has been closed.

| Historical Averages | |
|---|---|
| 5-Yr Avg | 21,110 |
| 4-Yr Avg | 11,418 |
| 3-Yr Avg | 1,755 |

| Order Counts | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
| Actual | 61,410 | 56,773 | 57,468 | 59,528 | 59,875 | 40,409 | 4,145 | 697 | 422 | 175 | | |
| Forecast | | 57,669 | 53,721 | 49,773 | | 38,395 | 3,342 | (0) | | 426 | 431 | 435 |




**Forecasting Method:** Base Year (Orders to Total Active Meters)

This order type is impacted by Smart Meter. 2013 is the first full year post Smart Meter implementation.

SDG&E

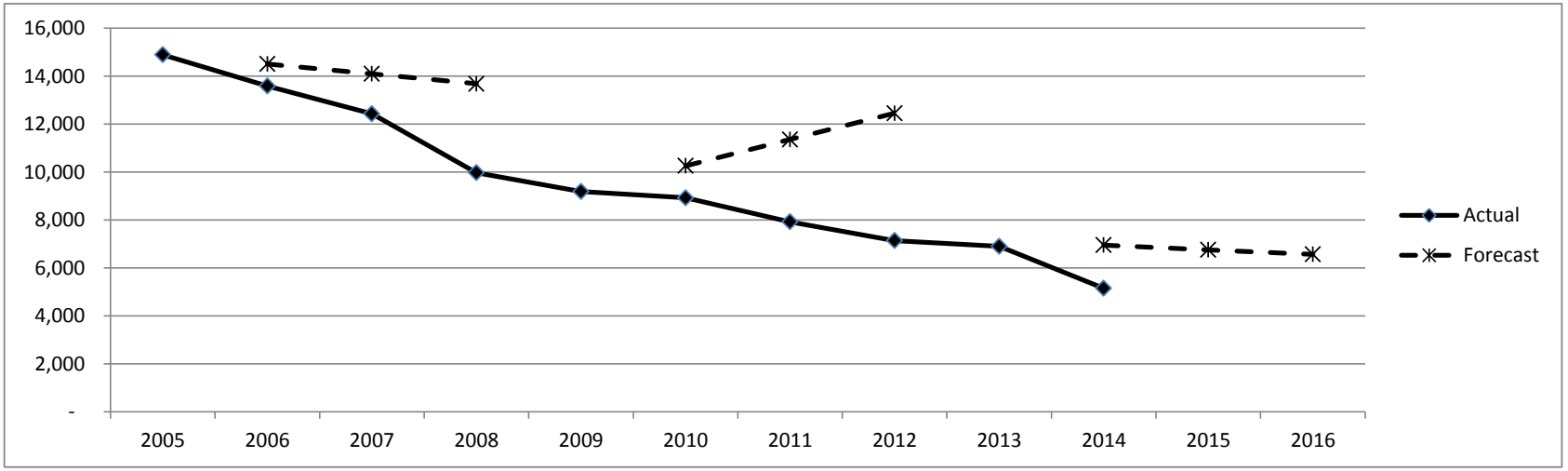
# CHANGE OF ACCOUNT - GIVE NOTICE

**Source** Customer Work
**Order Group** *Change of Account*
**Order Type** Give Notice

**Description**: This is a service order for which a field technician was going to shut off gas service but, while at the premises, determines that a new occupant has moved in. The new occupant is given a 24-hour notice of the requirement to establish an account. The gas is left on.

| Historical Averages | |
|---|---|
| 5-Yr Avg | 8,013 |
| 4-Yr Avg | 7,720 |
| 3-Yr Avg | 7,320 |

| Order Counts | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
| Actual | 14,891 | 13,589 | 12,423 | 9,968 | 9,183 | 8,922 | 7,921 | 7,136 | 6,902 | 5,146 | | |
| Forecast | | 14,504 | 14,093 | 13,682 | | 10,259 | 11,353 | 12,447 | | 6,952 | 6,751 | 6,566 |




**Forecasting Method:** Base Year + OBR Adjustment (Orders to Total Active Meters)

This order type is impacted by Smart Meter. 2013 is the first full year post Smart Meter implementation. An adjustment was made to account for an anticipated reduction in order volumes resulting from the Off But Registering project.

SDG&E

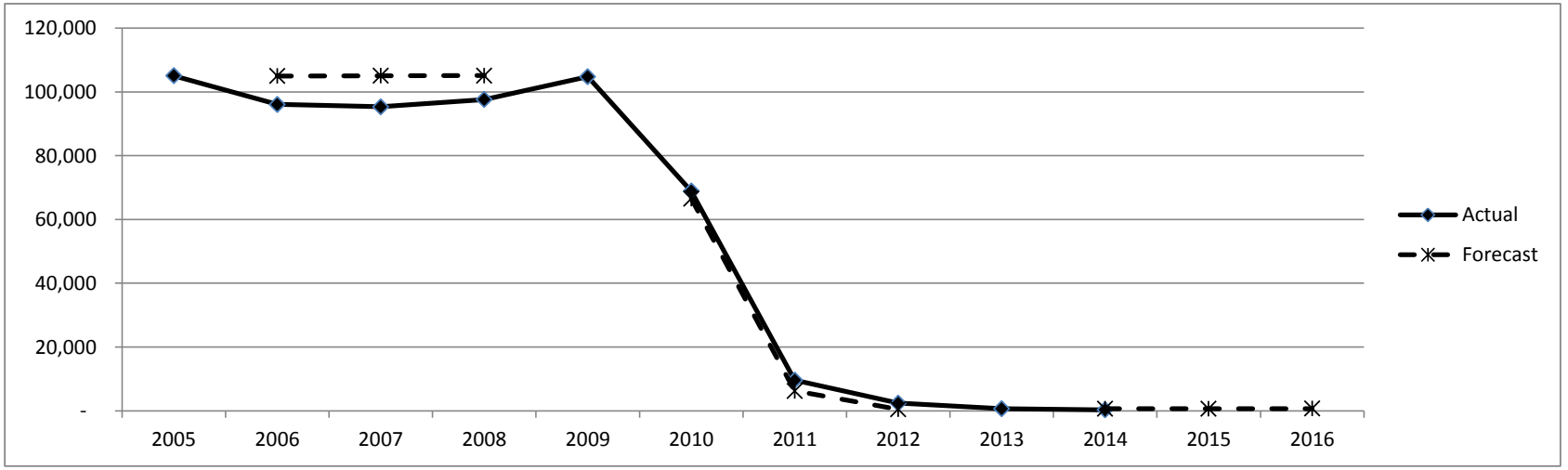
# CHANGE OF ACCOUNT - RTO

**Source** Customer Work
**Order Group** *Change of Account*
**Order Type** RTO

**Description:** This is a "Return to Owner" order. This order type is used when a tenant moves out. Responsibility for the account is moved to the property owner and a field technician restores service.

| Historical Averages | |
|---|---|
| 5-Yr Avg | 37,246 |
| 4-Yr Avg | 20,377 |
| 3-Yr Avg | 4,208 |

| Order Counts | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
| Actual | 105,060 | 96,065 | 95,316 | 97,616 | 104,720 | 68,884 | 9,577 | 2,389 | 658 | 304 | | |
| Forecast | | 104,982 | 105,046 | 105,111 | | 66,536 | 6,216 | 455 | | 665 | 672 | 678 |




**Forecasting Method:** Base Year (Orders to Total Active Meters)

This order type is impacted by Smart Meter. 2013 is the first full year post Smart Meter implementation.

SDG&E

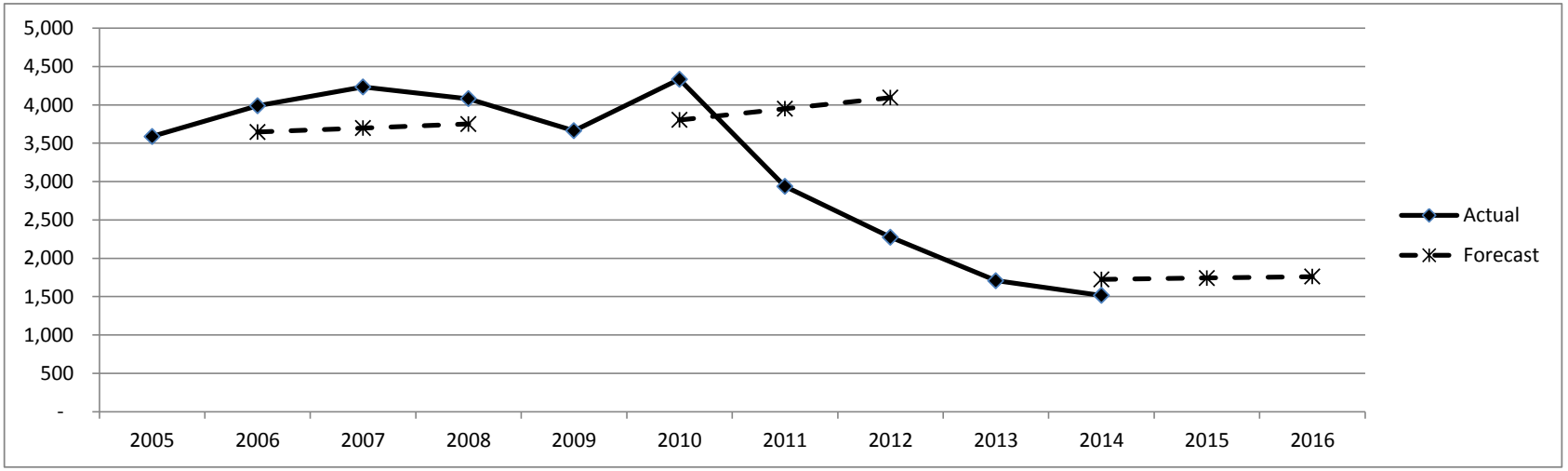
# COLLECTIONS - CREDIT SHUT OFF

**Source** Collections
**Order Group** *Collections*
**Order Type** Credit Shut Off

**Description:** This order type is used when a customer's service is manually shut off for nonpayment.

| Order Averages | |
|---|---|
| 5-Yr Avg | 2,983 |
| 4-Yr Avg | 2,813 |
| 3-Yr Avg | 2,306 |

| Order Counts | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
| Actual | 3,587 | 3,988 | 4,232 | 4,079 | 3,661 | 4,334 | 2,937 | 2,274 | 1,707 | 1,516 | | |
| Forecast | | 3,646 | 3,698 | 3,750 | | 3,804 | 3,949 | 4,094 | | 1,725 | 1,742 | 1,760 |




**Forecasting Method:** Base Year (Orders to Total Active Meters)

This order type is impacted by Smart Meter. 2013 is the first full year post Smart Meter.

SDG&E

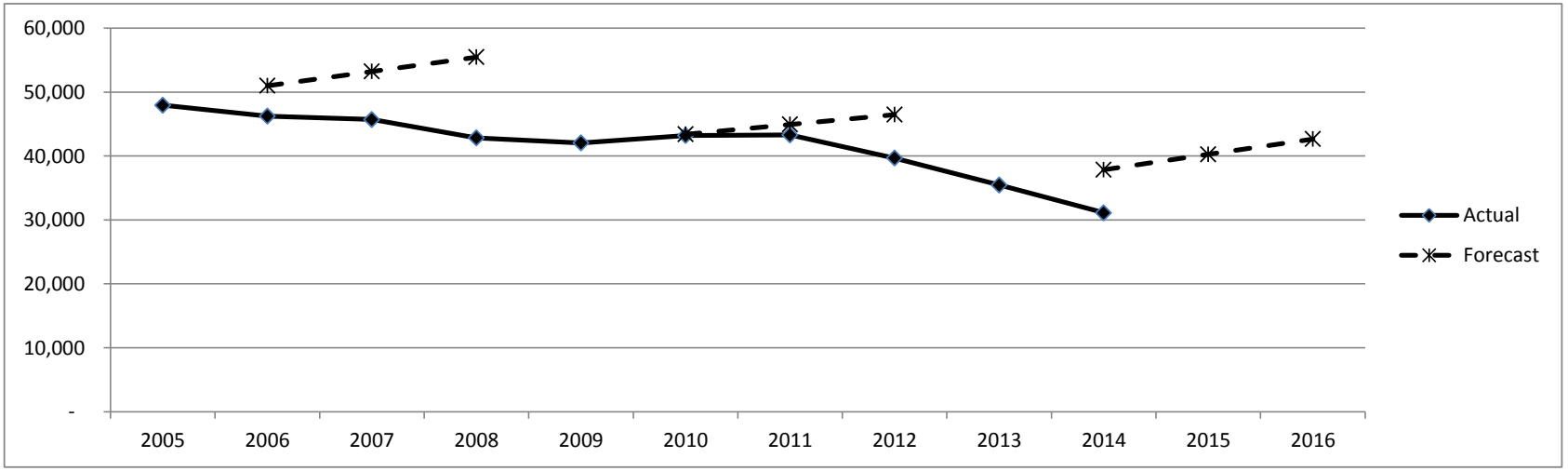
# CSO - APPLIANCE ADJUSTMENTS

**Source** Customer Work
**Order Group** *CSO*
**Order Type** APPLIANCE ADJUSTMENTS

**Description:** This order type is used when a customer requests service on a gas appliance (e.g., inoperative water heater).

| Historical Averages | |
|---|---|
| 5-Yr Avg | 40,734 |
| 4-Yr Avg | 40,411 |
| 3-Yr Avg | 39,479 |

| Order Counts | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
| Actual | 47,933 | 46,223 | 45,702 | 42,815 | 42,027 | 43,209 | 43,302 | 39,678 | 35,456 | 31,111 | | |
| Forecast | | 50,987 | 53,234 | 55,480 | | 43,398 | 44,941 | 46,484 | | 37,853 | 40,249 | 42,646 |




**Forecasting Method:** 5-Year Avg (Orders to Active Gas Meters)

Volumes fluctuate from year to year and are impacted by external factors outside the company's control, e.g., the economy, customers' appliance/equipment choices and condition, and weather and associated requests to check space heating equipment.

SDG&E

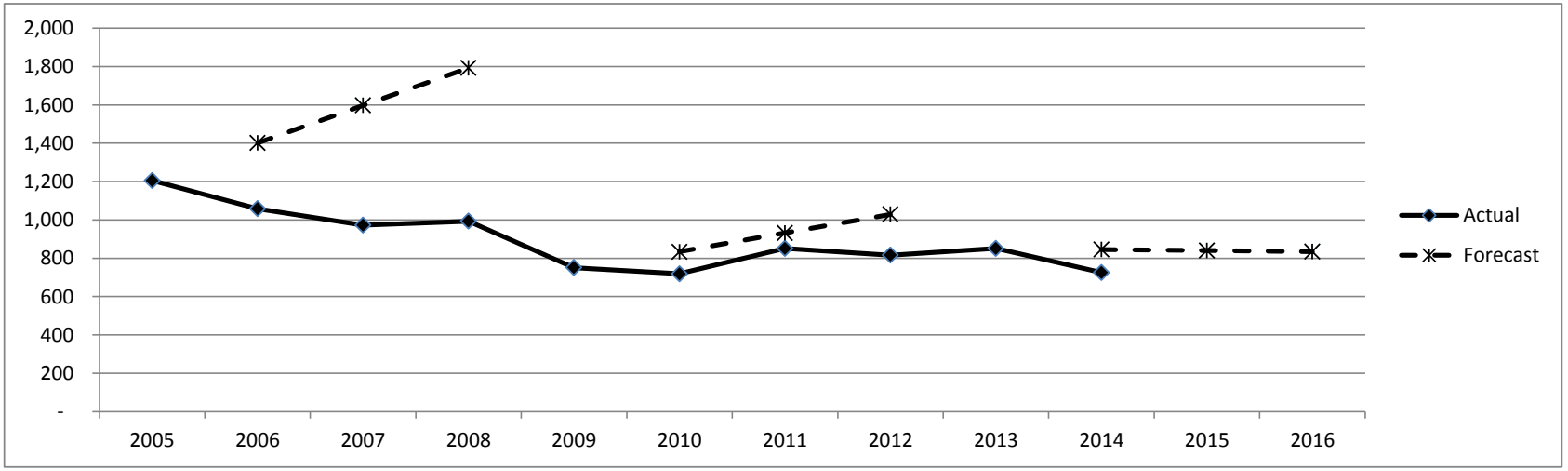
# CSO - APPLIANCE MECHANIC WORK

**Source** Customer Work
**Order Group** *CSO*
**Order Type** Appliance Mechanic Work

**Description:** This order type is used when a field technician performs gas appliance/equipment work at a commercial/industrial facility, as well as for follow-up orders where a higher skilled technician is needed to service a customer's gas appliance.

| Historical Averages | |
|---|---|
| 5-Yr Avg | 798 |
| 4-Yr Avg | 809 |
| 3-Yr Avg | 839 |

| Order Counts | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
| Actual | 1,205 | 1,058 | 973 | 993 | 751 | 719 | 851 | 816 | 851 | 725 | | |
| Forecast | | 1,402 | 1,597 | 1,793 | | 834 | 931 | 1,029 | | 845 | 840 | 834 |




**Forecasting Method:** 5-Year Avg (Orders to Active Gas Meters)

Volumes fluctuate from year to year and are impacted by external factors outside the company's control, e.g., the economy, customers' appliance/equipment choices and condition, and weather and associated requests to check space heating equipment.

SDG&E

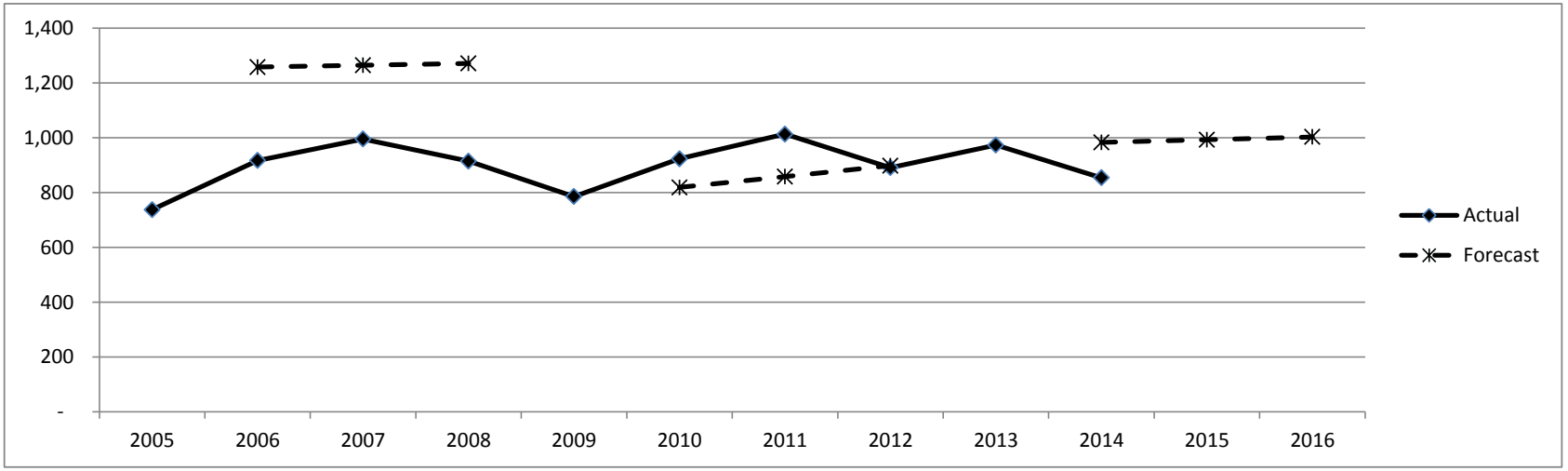
# CSO - CARBON MONOXIDE-EMERGENCY

**Source** Customer Work
**Order Group** *CSO*
**Order Type** Carbon Monoxide-Emergency

**Description:** This order type is used when a customer reports Carbon Monoxide (CO) symptoms or was transported for medical treatment where CO poisoning is suspected. The field technician validates the operation of the gas appliances and takes action to repair or make the appliance safe, as needed.

| Historical Averages | |
|---|---|
| 5-Yr Avg | 917 |
| 4-Yr Avg | 950 |
| 3-Yr Avg | 959 |

| Order Counts | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
| Actual | 737 | 917 | 995 | 914 | 785 | 923 | 1,013 | 891 | 973 | 854 | | |
| Forecast | | 1,258 | 1,264 | 1,271 | | 819 | 858 | 898 | | 983 | 993 | 1,003 |




**Forecasting Method:** Base Year (Orders to Total Active Meters)

2013 reflects the most recent experience since Senate Bill 183 was enacted with the requirement to install CO detectors in residential dwellings.

SDG&E

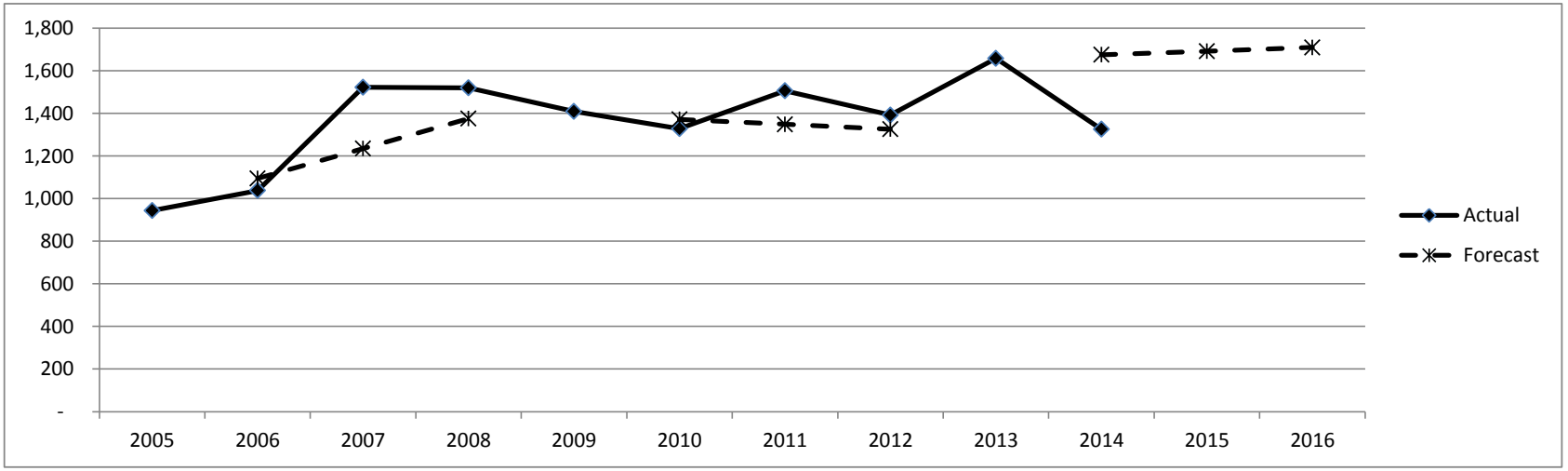
# CSO - CARBON MONOXIDE-NON EMERGENCY

**Source** Customer Work
**Order Group** *CSO*
**Order Type** Carbon Monoxide-Non Emergency

**Description:** This is a service order for which the customer has requested that a field technician check their premises for Carbon Monoxide (CO); the customer has not experienced any CO symptoms.

| Historical Averages | |
|---|---|
| 5-Yr Avg | 1,459 |
| 4-Yr Avg | 1,471 |
| 3-Yr Avg | 1,519 |

| Order Counts | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
| Actual | 944 | 1,038 | 1,522 | 1,520 | 1,409 | 1,328 | 1,506 | 1,392 | 1,658 | 1,326 | | |
| Forecast | | 1,095 | 1,235 | 1,375 | | 1,372 | 1,349 | 1,326 | | 1,675 | 1,692 | 1,709 |




**Forecasting Method:** Base Year (Orders to Total Active Meters)

2013 reflects the most recent experience since Senate Bill 183 was enacted with the requirement to install CO detectors in residential dwellings.

SDG&E

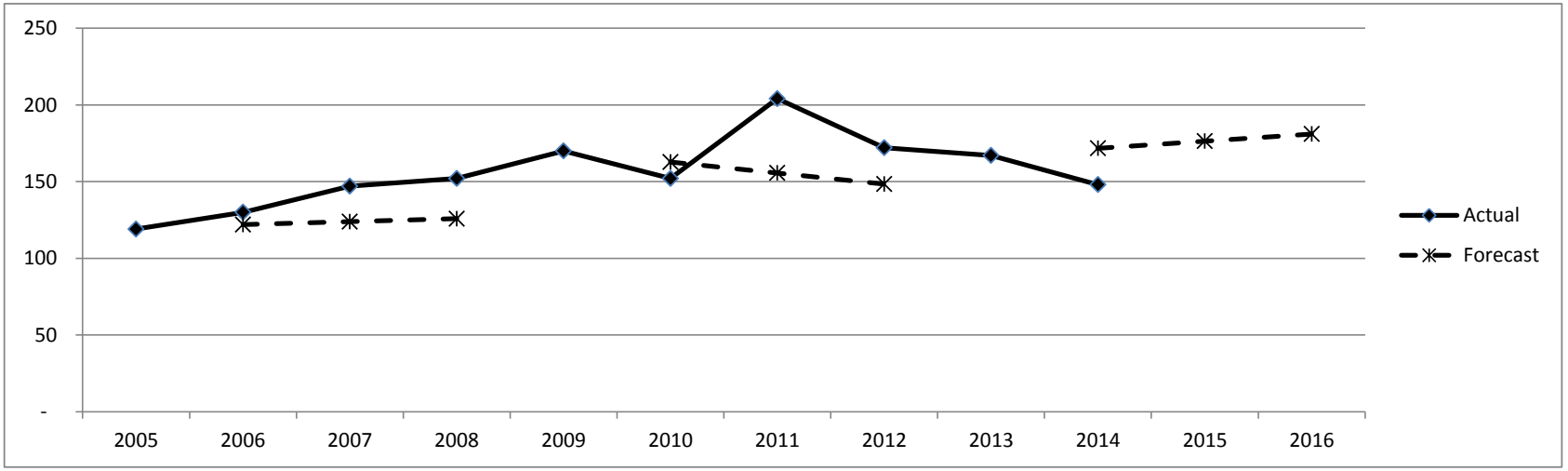
# CSO - HIGH PRESSURE

**Source** Customer Work
**Order Group** *CSO*
**Order Type** HIGH PRESSURE

**Description:** This order type is used when a customer has reported possible pressure problems at an appliance. The field technician checks the appliance for proper operation, as well as the pressure supplied at the meter.

| Historical Averages | |
|---|---|
| 5-Yr Avg | 173 |
| 4-Yr Avg | 174 |
| 3-Yr Avg | 181 |

| Order Counts | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
| Actual | 119 | 130 | 147 | 152 | 170 | 152 | 204 | 172 | 167 | 148 | | |
| Forecast | | 122 | 124 | 126 | | 163 | 156 | 148 | | 172 | 176 | 181 |




**Forecasting Method:** 5-Year Avg (Orders to Active Gas Meters)

Volumes fluctuate from year to year and are impacted by external factors outside the company's control, e.g., conditions which may cause a customer's appliance to not work properly.

SDG&E

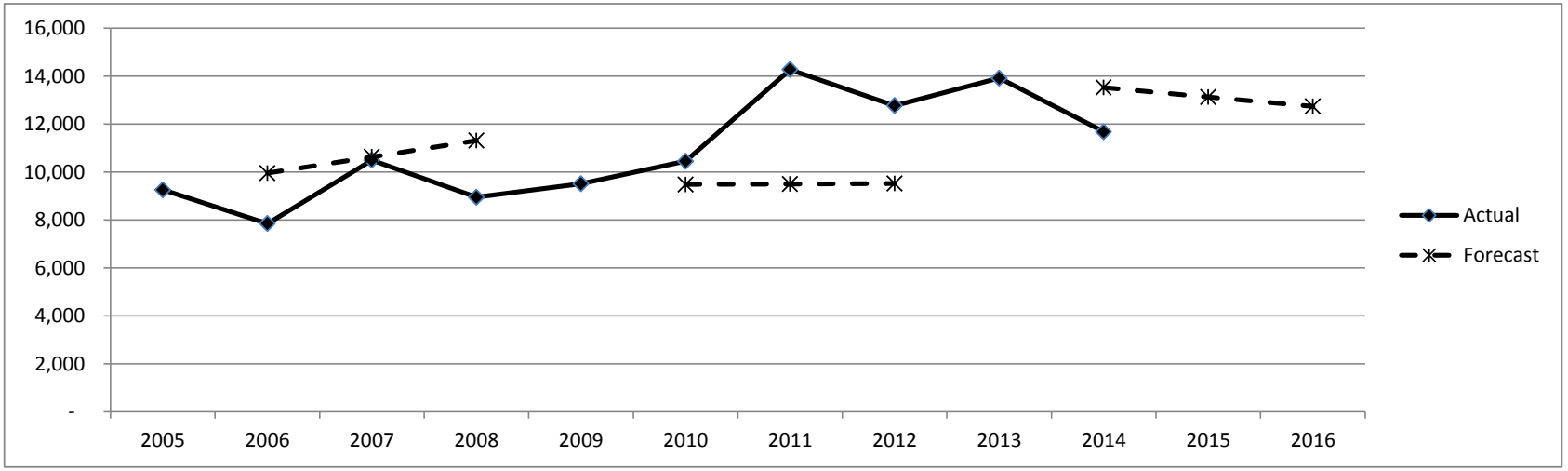
# CSO - NO GAS

**Source** Customer Work
**Order Group** *CSO*
**Order Type** NO GAS

**Description:** This is a service order for which a customer has indicated they have no gas. The field technician investigates the source of the problem, takes corrective action and restores gas service as needed.

| Historical Averages | |
|---|---|
| 5-Yr Avg | 12,181 |
| 4-Yr Avg | 12,850 |
| 3-Yr Avg | 13,651 |

| Order Counts | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
| Actual | 9,258 | 7,844 | 10,491 | 8,946 | 9,504 | 10,447 | 14,273 | 12,768 | 13,913 | 11,679 | | |
| Forecast | | 9,954 | 10,630 | 11,307 | | 9,479 | 9,497 | 9,515 | | 13,520 | 13,127 | 12,734 |




**Forecasting Method:** 5-Year Avg (Orders to Active Gas Meters)

Volumes fluctuate from year to year and are impacted by external factors outside the company's control, e.g., malfunctioning equipment or other conditions which may cause a customer to be without gas.

SDG&E

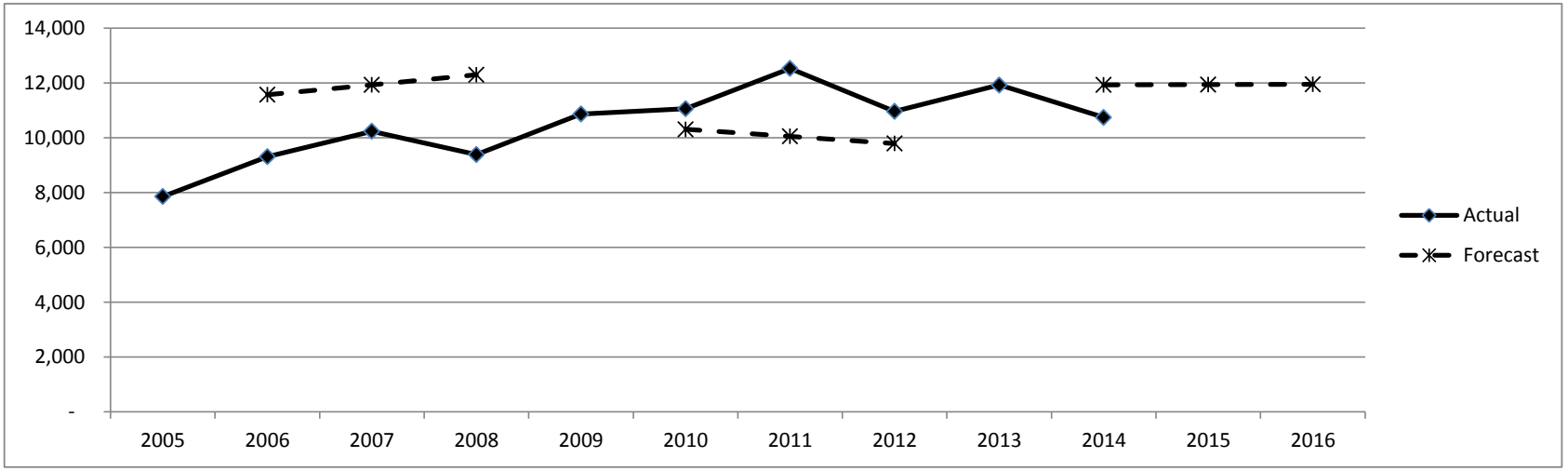
# CSO - OTHER MISC GAS ELEC CUSTOMER REQUESTS

**Source** Customer Work
**Order Group** *CSO*
**Order Type** OTHER MISC GAS & ELEC CUSTOMER REQUESTS

**Description:** This order type is used when a customer calls with a non-standard request. For example, they have no power in a portion of their home or want to know if an exposed pipe in their yard is a gas line. The service technician investigates the customer's concern.

| Historical Averages | |
|---|---|
| 5-Yr Avg | 11,467 |
| 4-Yr Avg | 11,617 |
| 3-Yr Avg | 11,803 |

| Order Counts | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
| Actual | 7,853 | 9,310 | 10,238 | 9,387 | 10,864 | 11,059 | 12,526 | 10,960 | 11,924 | 10,741 | | |
| Forecast | | 11,570 | 11,934 | 12,298 | | 10,307 | 10,048 | 9,788 | | 11,932 | 11,940 | 11,948 |




**Forecasting Method:** 5-Year Avg (Orders to Total Active Meters)

Volumes fluctuate from year to year and are impacted by external factors outside the company's control, e.g., conditions at customer premises.

SDG&E

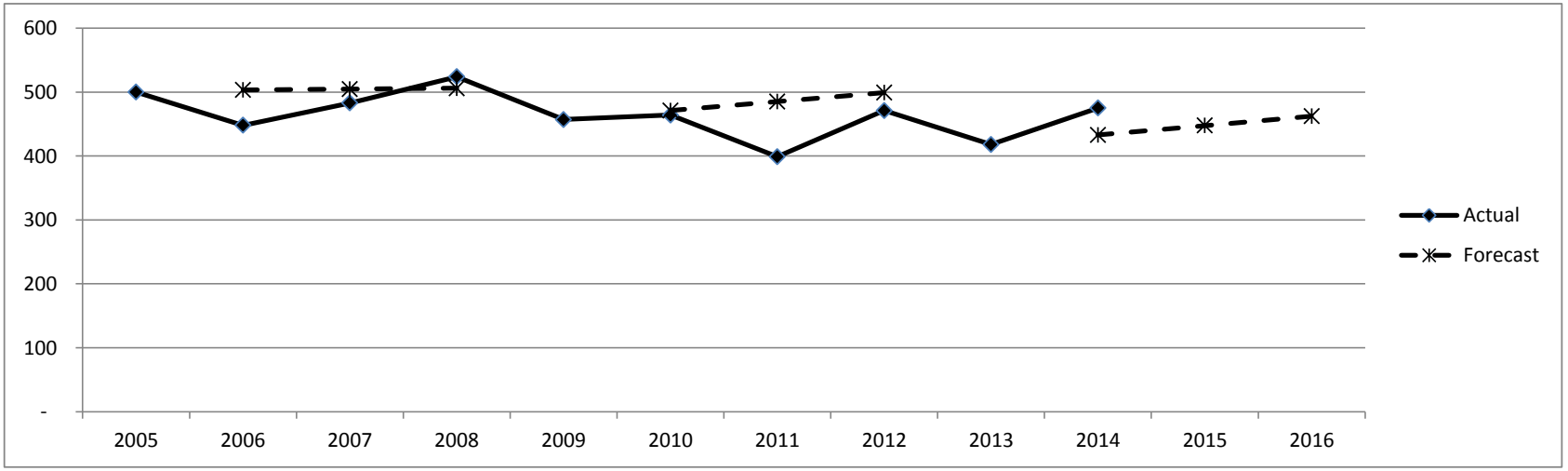
# CSO - SCHOOL LEAK SURVEYS

**Source** Customer Work
**Order Group** *CSO*
**Order Type** SCHOOL LEAK SURVEYS

**Description:** This order type is used when a school requests a complete survey of their gas lines to ensure the integrity of their gas system. The field technician performs an inspection, including inspecting all appliances, to validate the system is leak free and/or identify needed repairs.

| Historical Averages | |
|---|---|
| 5-Yr Avg | 442 |
| 4-Yr Avg | 438 |
| 3-Yr Avg | 429 |

| Order Counts | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
| Actual | 500 | 448 | 483 | 524 | 457 | 464 | 399 | 471 | 418 | 475 | | |
| Forecast | | 503 | 505 | 506 | | 471 | 485 | 499 | | 433 | 448 | 462 |




**Forecasting Method:** 5-Year Avg (Orders to Active Gas Meters)

Volumes fluctuate from year to year and are impacted by external factors outside the company's control, e.g., school maintenance schedules.

SDG&E

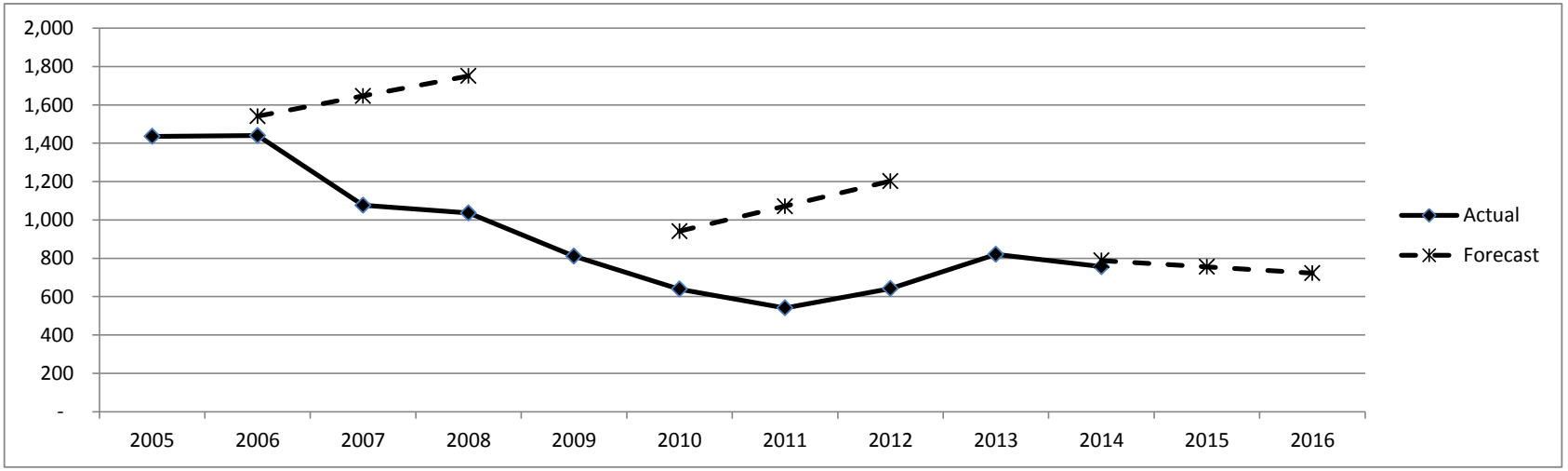
# CSO - SEASONAL OFF

**Source** Customer Work
**Order Group** *CSO*
**Order Type** SEASONAL OFF

**Description:** This order type is used when a customer requests the gas to be shut off on a heating appliance. The field technician performs a safety check of the appliance and leaves the appliance off.

| Historical Averages | |
|---|---|
| 5-Yr Avg | 691 |
| 4-Yr Avg | 661 |
| 3-Yr Avg | 668 |

| Order Counts | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
| Actual | 1,436 | 1,440 | 1,076 | 1,036 | 811 | 639 | 541 | 642 | 821 | 756 | | |
| Forecast | | 1,542 | 1,646 | 1,751 | | 941 | 1,072 | 1,202 | | 788 | 756 | 723 |




**Forecasting Method:** 5-Year Avg (Orders to Active Gas Meters)

Volumes fluctuate from year to year and are impacted by external factors outside the company's control, e.g., weather fluctuations.

SDG&E

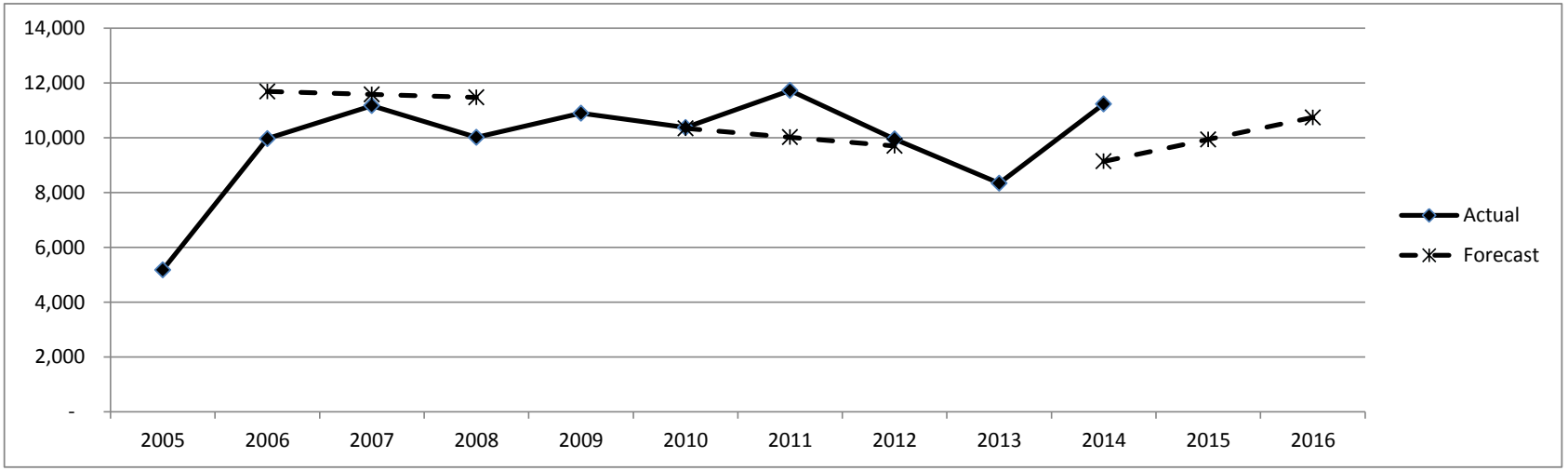
# CSO - SEASONAL ON MULTIPLES

**Source** Customer Work
**Order Group** *CSO*
**Order Type** SEASONAL ON MULTIPLES

**Description:** This order type is used when a multi-unit premise, such as an assisted living establishment, requests that a service technician light the pilots on gas space heating appliances. The appliances are also checked for safety.

| Historical Averages | |
|---|---|
| 5-Yr Avg | 10,256 |
| 4-Yr Avg | 10,097 |
| 3-Yr Avg | 10,005 |

| Order Counts | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
| Actual | 5,172 | 9,967 | 11,170 | 10,016 | 10,893 | 10,373 | 11,726 | 9,951 | 8,339 | 11,228 | | |
| Forecast | | 11,687 | 11,579 | 11,472 | | 10,339 | 10,020 | 9,700 | | 9,139 | 9,939 | 10,739 |




**Forecasting Method:** 5-Year Avg (Orders to Active Gas Meters)

Volumes fluctuate from year to year and are impacted by external factors outside the company's control, e.g., weather fluctuations.

SDG&E

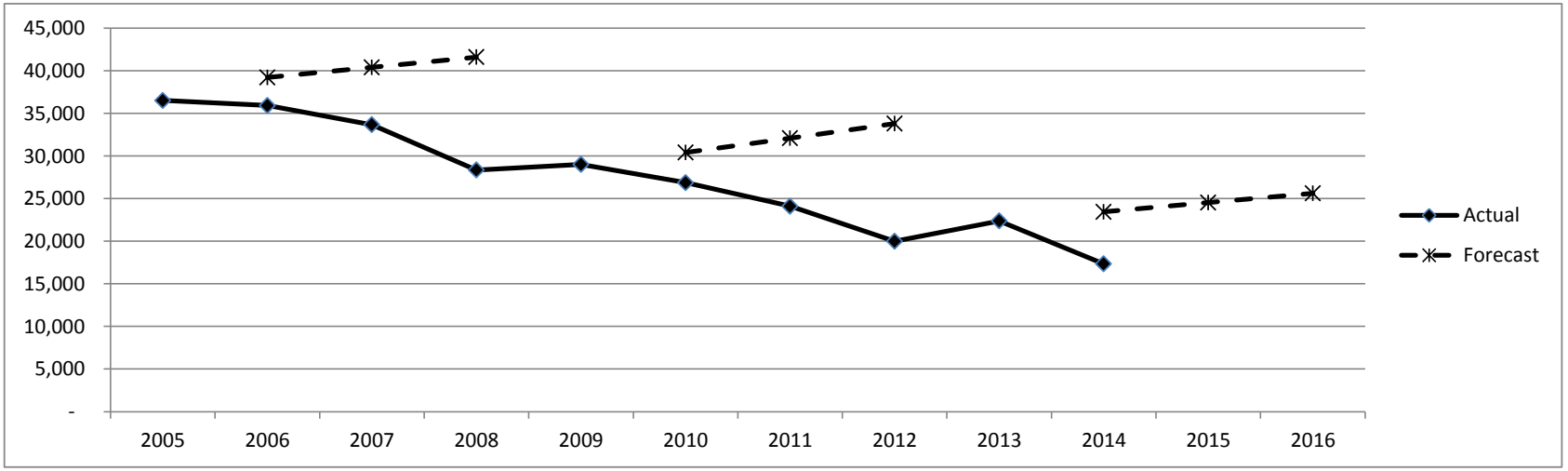
# CSO - SEASONAL ON SINGLES

**Source** Customer Work
**Order Group** *CSO*
**Order Type** SEASONAL ON SINGLES

**Description:** This order type is used when a customer (single-unit premise) requests that the pilot on their gas space heating appliance be lit. The appliance is also checked for safety.

| Historical Averages | |
|---|---|
| 5-Yr Avg | 24,466 |
| 4-Yr Avg | 23,329 |
| 3-Yr Avg | 22,151 |

| Order Counts | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
| Actual | 36,514 | 35,918 | 33,668 | 28,348 | 29,012 | 26,862 | 24,102 | 19,982 | 22,370 | 17,344 | | |
| Forecast | | 39,206 | 40,404 | 41,601 | | 30,402 | 32,099 | 33,796 | | 23,455 | 24,540 | 25,626 |




**Forecasting Method:** 5-Year Avg (Orders to Active Gas Meters)

Volumes fluctuate from year to year and are impacted by external factors outside the company's control, e.g., weather fluctuations.

SDG&E

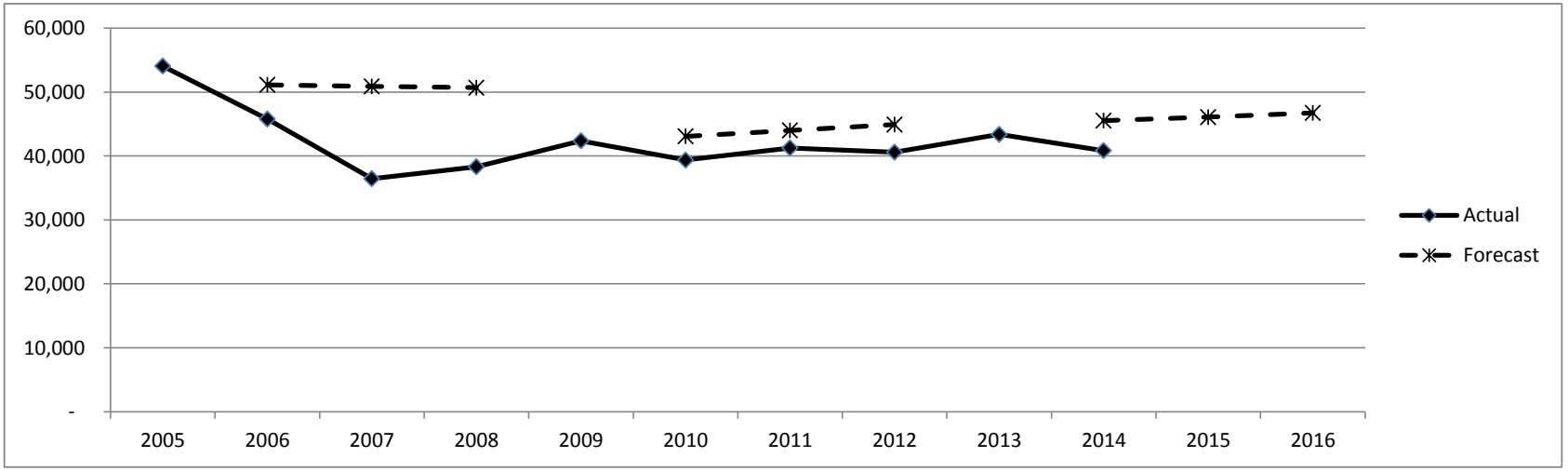
# FUMIGATION/BUG FOGGER

**Source** Customer Work
**Order Group** Fumigation
**Order Type** FUMIGATION/BUG FOGGER

**Description:** This order type is used when a customer requests that the gas be shut off or restored for fumigation activity. For shut off, the meter is closed and secured. For restore, the gas is restored and appliances are serviced.

| Historical Averages | |
|---|---|
| 5-Yr Avg | 41,396 |
| 4-Yr Avg | 41,151 |
| 3-Yr Avg | 41,747 |

| Order Counts | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
| Actual | 54,082 | 45,781 | 36,447 | 38,302 | 42,379 | 39,361 | 41,268 | 40,597 | 43,376 | 40,833 | | |
| Forecast | | 51,110 | 50,896 | 50,683 | | 43,085 | 44,001 | 44,918 | | 45,545 | 46,084 | 46,732 |




**Forecasting Method:** 2013 + 5%, then growth (Orders to Active Gas Meters)

Pest Control Operators of California (PCOC) projects 5% growth in fumigation in 2014 for San Diego County.

SDG&E

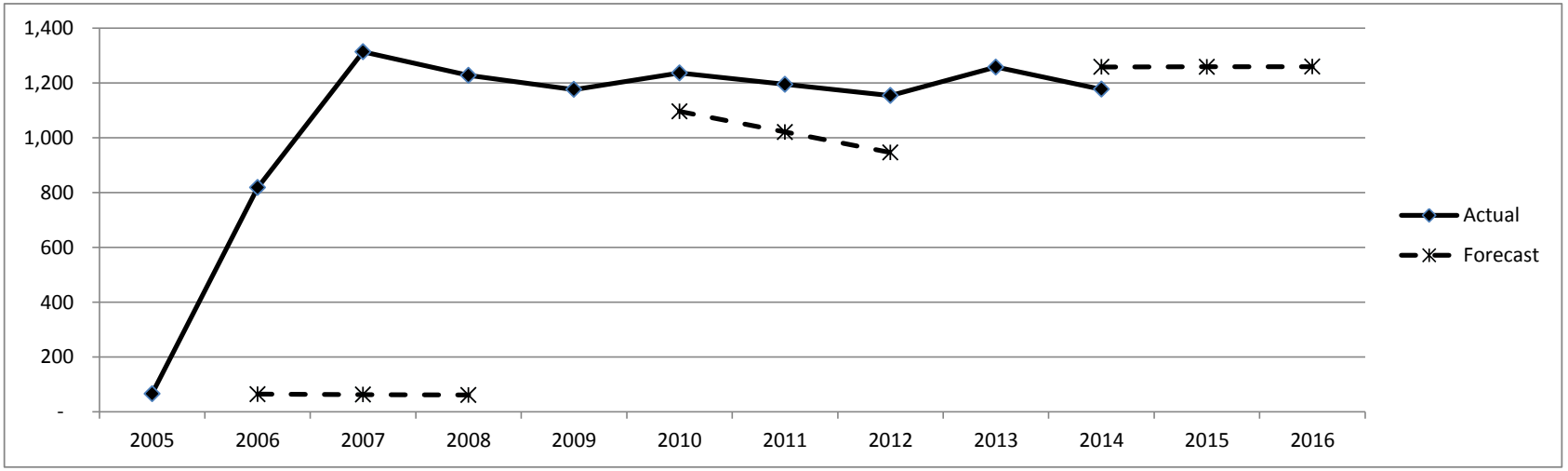
# GAS LEAKS - EMERGENCY B&B INSIDE

**Source** Customer Work
**Order Group** Gas Leak
**Order Type** EMERGENCY B&B INSIDE

**Description:** This order type is used when a customer requests emergency service to address an interior gas line or connector that is broken. (B&B = broken and blowing)

| Historical Averages | |
|---|---|
| 5-Yr Avg | 1,204 |
| 4-Yr Avg | 1,211 |
| 3-Yr Avg | 1,202 |

| Order Counts | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
| Actual | 65 | 818 | 1,314 | 1,228 | 1,176 | 1,236 | 1,195 | 1,154 | 1,258 | 1,177 | | |
| Forecast | | 64 | 62 | 61 | | 1,096 | 1,021 | 946 | | 1,259 | 1,259 | 1,260 |




**Forecasting Method:** 5-Year Avg (Orders to Active Gas Meters)

Volumes fluctuate from year to year and are impacted by external factors that are outside the company's control, e.g., condition of customers' gas lines, construction activity/hit lines, structure fires.

SDG&E

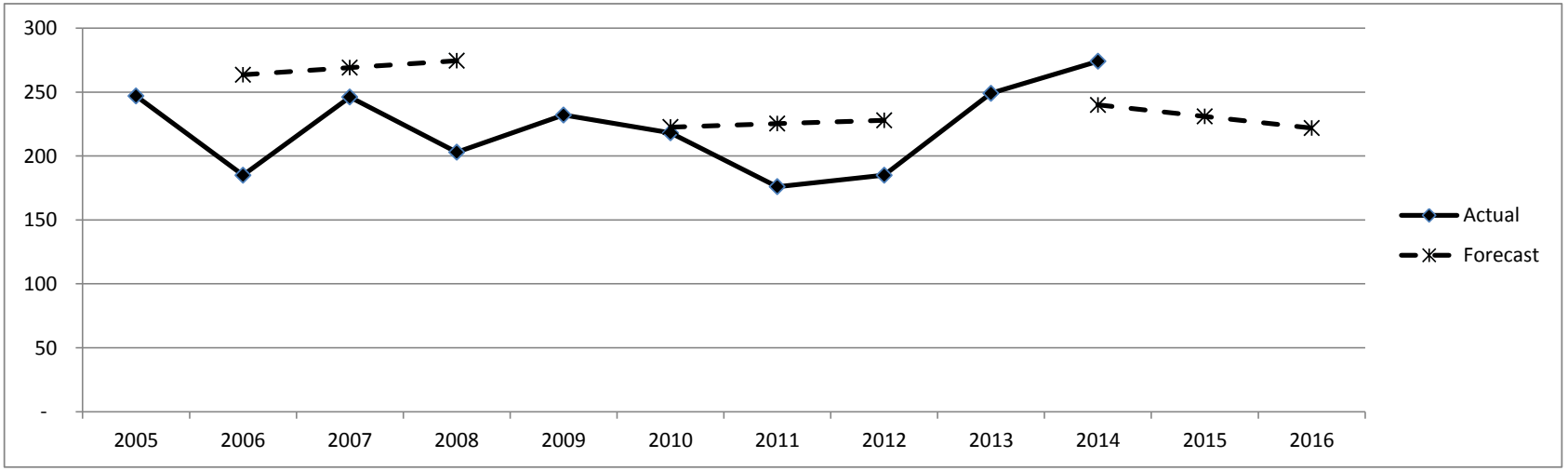
# GAS LEAKS - EMERGENCY B&B OUTSIDE

**Source** Customer Work
**Order Group** *Gas Leak*
**Order Type** EMERGENCY B&B OUTSIDE

**Description:** This order type is used when a customer requests emergency service to address an exterior gas line or connector that is broken. (B&B = broken and blowing)

| Historical Averages | |
|---|---|
| 5-Yr Avg | 212 |
| 4-Yr Avg | 207 |
| 3-Yr Avg | 203 |

| Order Counts | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
| Actual | 247 | 185 | 246 | 203 | 232 | 218 | 176 | 185 | 249 | 274 | | |
| Forecast | | 264 | 269 | 275 | | 223 | 225 | 228 | | 240 | 231 | 222 |




**Forecasting Method:** 5-Year Avg (Orders to Active Gas Meters)

Volumes fluctuate from year to year and are impacted by external factors that are outside the company's control, e.g., condition of customers' gas lines, construction activity/hit lines, structure fires.

SDG&E

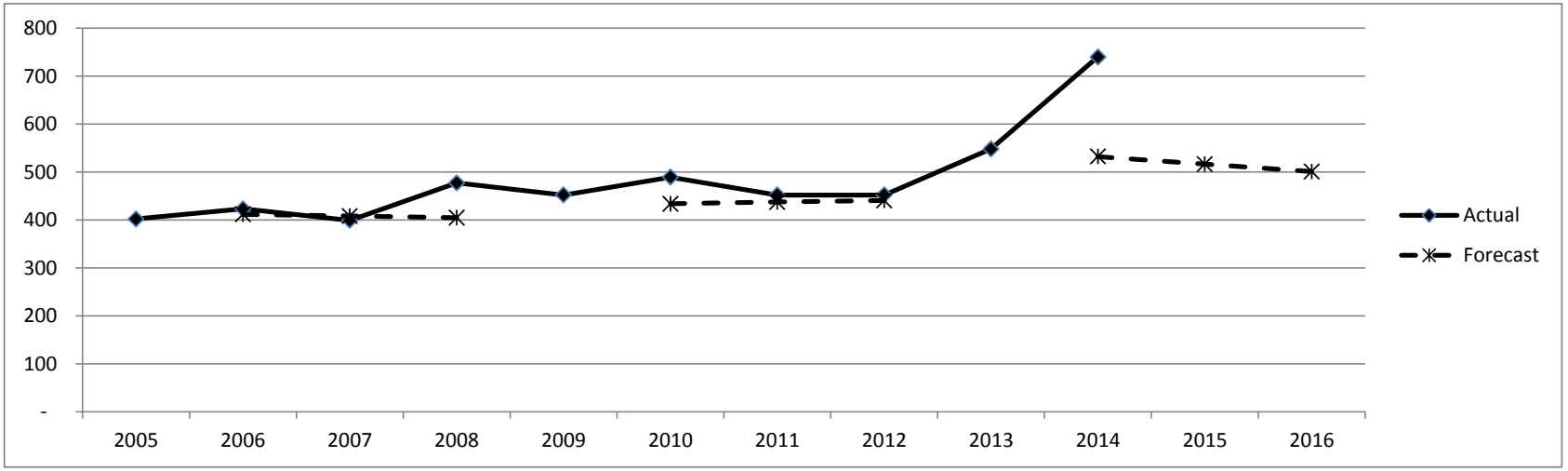
# GAS LEAKS - EMERGENCY-AGENCY REQUESTS

**Source** Customer Work
**Order Group** *Gas Leak*
**Order Type** EMERGENCY-AGENCY REQUESTS

**Description:** This order type is used when an external agency (e.g., fire department) contacts the company and a field technician responds to a gas leak, fire, etc.

| Historical Averages | |
|---|---|
| 5-Yr Avg | 479 |
| 4-Yr Avg | 485 |
| 3-Yr Avg | 484 |

| Order Counts | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
| Actual | 402 | 423 | 399 | 477 | 452 | 489 | 452 | 452 | 548 | 740 | | |
| Forecast | | 412 | 408 | 405 | | 434 | 437 | 441 | | 532 | 516 | 501 |




**Forecasting Method:** 5-Year Avg (Orders to Active Gas Meters)

Volumes fluctuate from year to year and are impacted by external factors that are outside the company's control, e.g., conditions at customer premises.

SDG&E

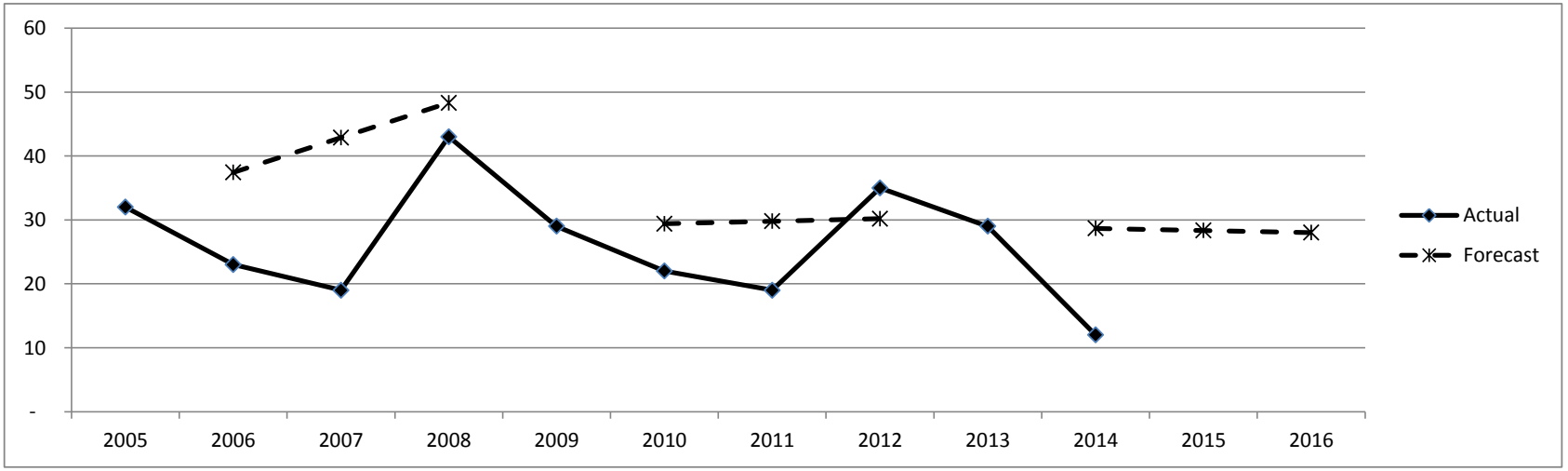
# GAS LEAKS - FIRE & EXPLOSIONS

**Source** Customer Work
**Order Group** *Gas Leak*
**Order Type** FIRE & EXPLOSIONS

**Description:** This order type is used when a customer requests field response to a fire or explosion.

| Historical Averages | |
|---|---|
| 5-Yr Avg | 27 |
| 4-Yr Avg | 26 |
| 3-Yr Avg | 28 |

| Order Counts | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
| Actual | 32 | 23 | 19 | 43 | 29 | 22 | 19 | 35 | 29 | 12 | | |
| Forecast | | 37 | 43 | 48 | | 29 | 30 | 30 | | 29 | 28 | 28 |




**Forecasting Method:** 5-Year Avg (Orders to Active Gas Meters)

Volumes fluctuate from year to year and are impacted by external factors that are outside the company's control, e.g., conditions at customer premises.

SDG&E

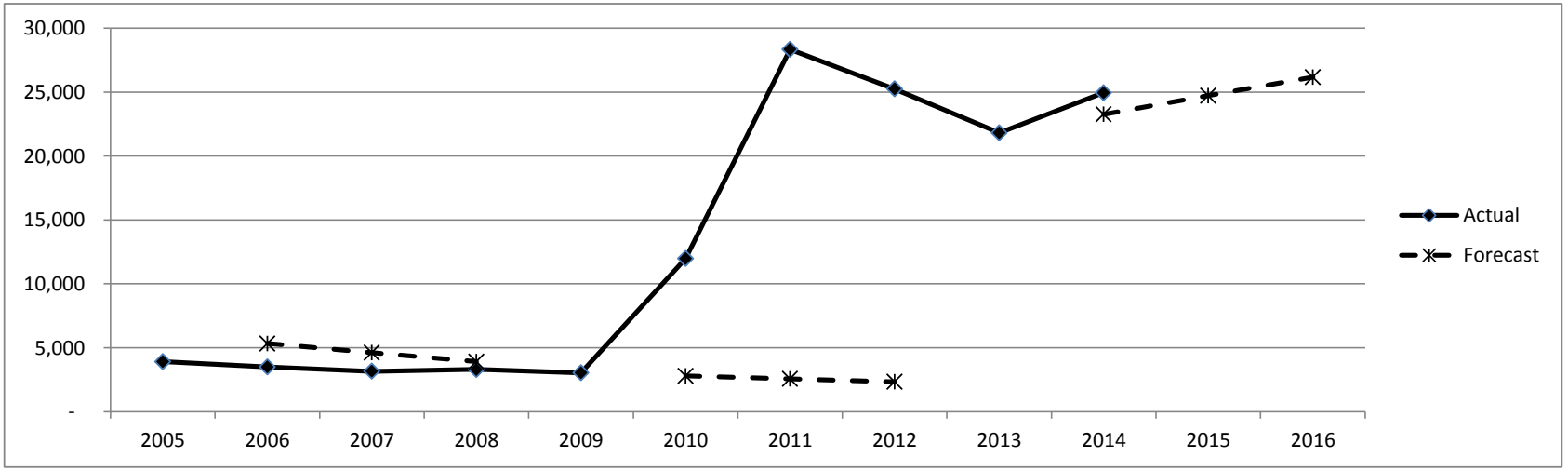
# GAS LEAKS-HAZARD

**Source** Customer Work
**Order Group** Gas Leak
**Order Type** GAS LEAKS-HAZARD

**Description:** This order type is used when a customer reports a gas leak and, based on the information provided, it is categorized as a possible hazard. The field technician investigates, makes the condition safe, and repairs any leaks to the extent possible. The customer may be referred to an outside service provider if the repair is beyond the scope of the utility.

| Historical Averages | |
|---|---|
| 5-Yr Avg | 18,081 |
| 4-Yr Avg | 21,841 |
| 3-Yr Avg | 25,130 |

| Order Counts | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
| Actual | 3,915 | 3,492 | 3,157 | 3,298 | 3,039 | 11,974 | 28,332 | 25,246 | 21,813 | 24,948 | | |
| Forecast | | 5,332 | 4,623 | 3,915 | | 2,789 | 2,560 | 2,331 | | 23,263 | 24,714 | 26,164 |




**Forecasting Method:** 3-Year Avg (Orders to Active Gas Meters)

In 2010, SDG&E reclassified leak orders, resulting in a shift of some orders from non-hazardous to hazardous. 2009 and 2010 were excluded to eliminate the effects of the reclassification of orders.

SDG&E

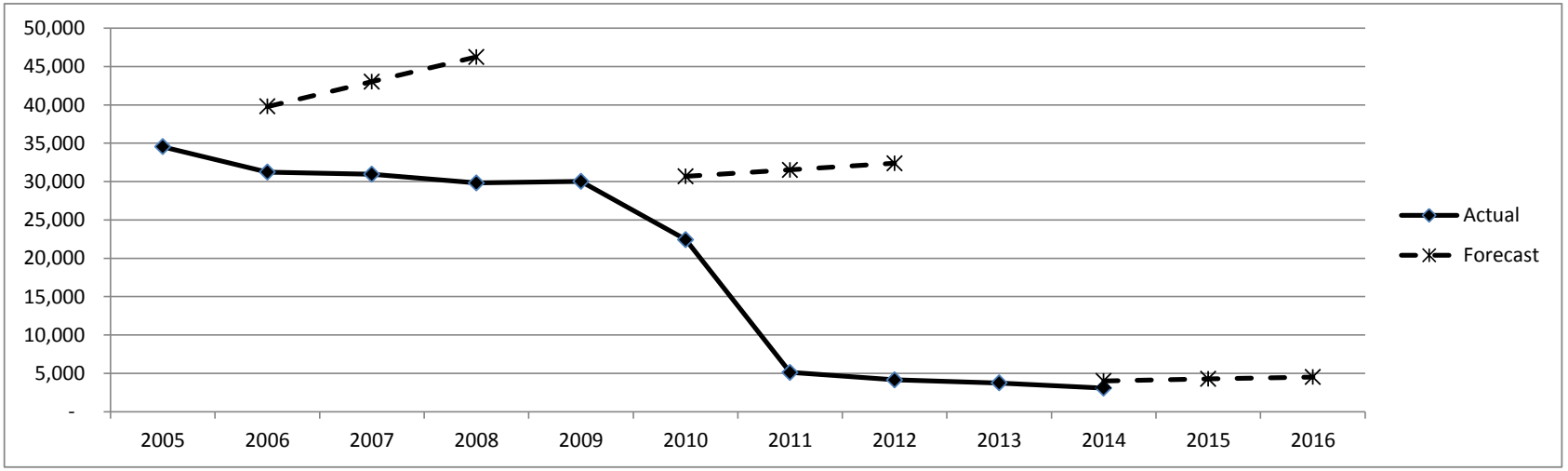
# GAS LEAKS-NON HAZARD

**Source** Customer Work
**Order Group** Gas Leak
**Order Type** GAS LEAKS-NON HAZARD

**Description:** This order type is used when a customer reports a gas leak and, based on the information provided, it is categorized as non-hazardous. The technician investigates, makes the condition safe, and repairs any leaks to the extent possible. The customer may be referred to an outside service provider if the repair is beyond the scope of the utility.

| Historical Averages | |
|---|---|
| 5-Yr Avg | 13,089 |
| 4-Yr Avg | 8,860 |
| 3-Yr Avg | 4,335 |

| Order Counts | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
| Actual | 34,541 | 31,221 | 30,940 | 29,811 | 30,006 | 22,434 | 5,112 | 4,147 | 3,747 | 3,064 | | |
| Forecast | | 39,787 | 43,016 | 46,244 | | 30,680 | 31,525 | 32,371 | | 4,003 | 4,258 | 4,514 |




**Forecasting Method:** 3-Year Avg (Orders to Active Gas Meters)

In 2010, SDG&E reclassified leak orders, resulting in a shift of some orders from non-hazardous to hazardous. 2009 and 2010 were excluded to eliminate the effects of the reclassification of orders.

SDG&E

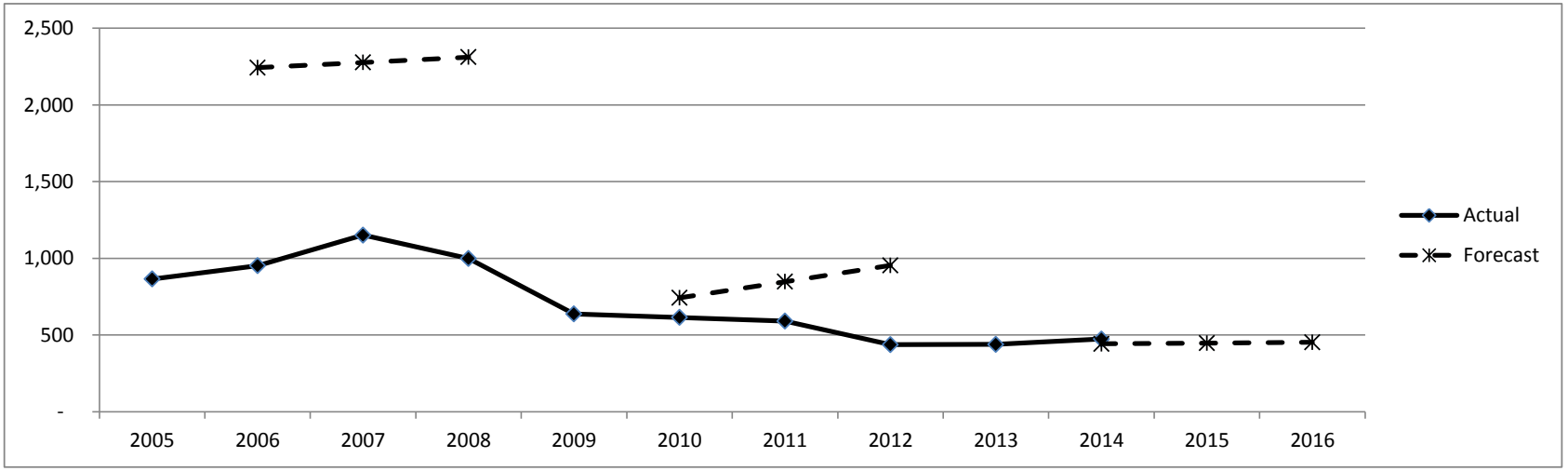
# HBI

**Source** Customer Work
**Order Group** HBI
**Order Type** HBI

**Description:** This order type is used when when a customer requests that a service technician inspect the facility and related appliances due to a higher than expected bill.

| Historical Averages | |
|---|---|
| 5-Yr Avg | 543 |
| 4-Yr Avg | 520 |
| 3-Yr Avg | 488 |

| Order Counts | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
| Actual | 865 | 951 | 1,151 | 998 | 637 | 614 | 590 | 437 | 438 | 473 | | |
| Forecast | | 2,242 | 2,277 | 2,311 | | 742 | 847 | 953 | | 443 | 447 | 452 |




**Forecasting Method:** Base Year (Orders to Total Active Meters)

This order type is impacted by Smart Meter. 2013 is the first full year post Smart Meter implementation.

SDG&E

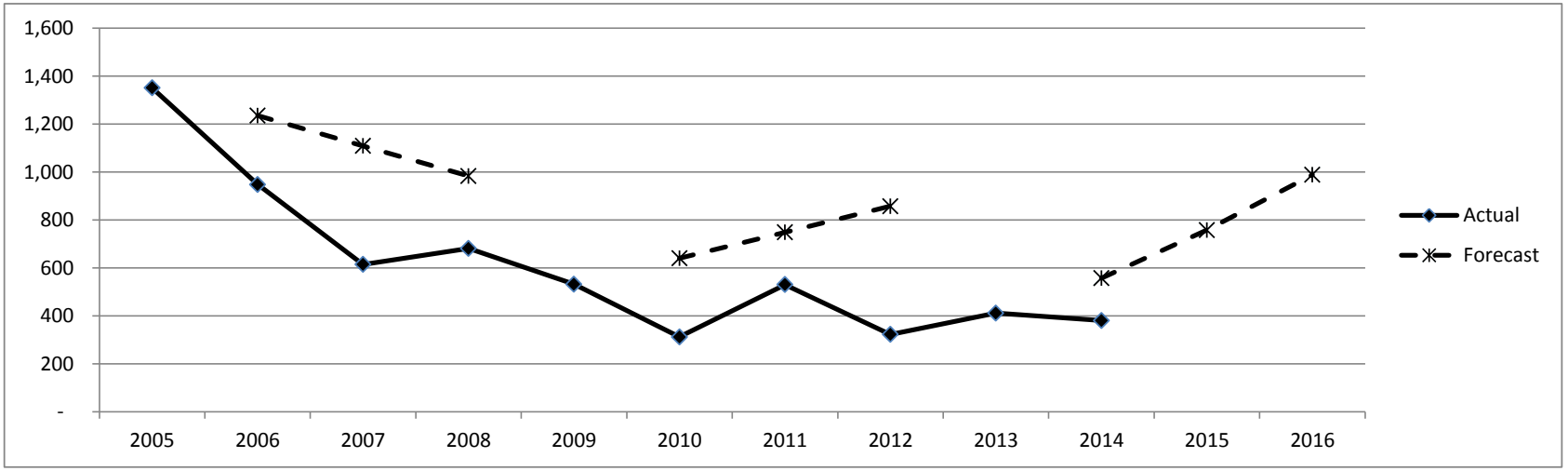
# METER WORK CAPITAL - HEADER WORK

**Source** Customer Work
**Order Group** Meter Work - Capital
**Order Type** HEADER WORK

**Description:** This is work performed prior to a new meter being set. The field technician installs a manifold that will accommodate two or more meters or a larger commercial meter.

| Historical Averages | |
|---|---|
| 5-Yr Avg | 421 |
| 4-Yr Avg | 394 |
| 3-Yr Avg | 421 |

| Order Counts | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
| Actual | 1,351 | 948 | 614 | 681 | 532 | 312 | 530 | 322 | 411 | 380 | | |
| Forecast | | 1,235 | 1,109 | 983 | | 640 | 748 | 857 | | 557 | 758 | 988 |




**Forecasting Method:** Follows Capital Forecast

Volumes are driven by the forecasted growth in new business capital construction and associated meter sets.

SDG&E

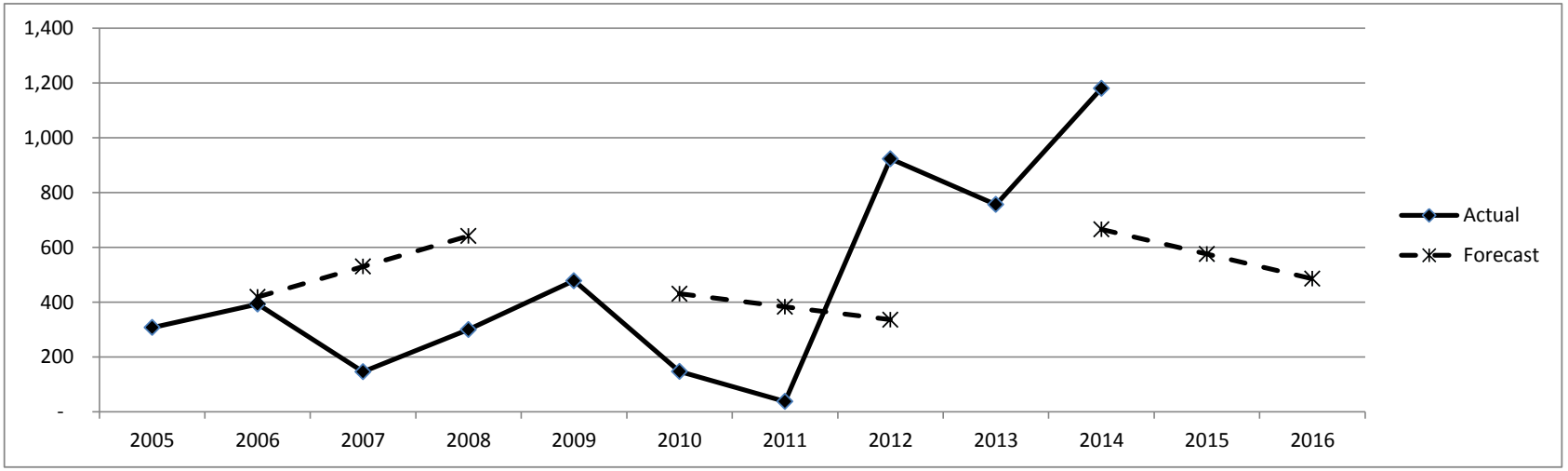
# METER WORK CAPITAL - METER SETS - ELECTRIC

**Source** Customer Work
**Order Group** Meter Work - Capital
**Order Type** METER SETS - ELECTRIC

**Description:** This order type is used when an electric meter is installed at a new customer facility. The field technician installs the appropriate electric meter and the customer's electric service is turned on.

| Historical Averages | |
|---|---|
| 5-Yr Avg | 468 |
| 4-Yr Avg | 466 |
| 3-Yr Avg | 572 |

| Order Counts | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
| Actual | 307 | 393 | 146 | 300 | 478 | 147 | 37 | 923 | 756 | 1,180 | | |
| Forecast | | 418 | 530 | 641 | | 431 | 383 | 336 | | 666 | 576 | 485 |




**Forecasting Method:** 5-Year Avg (Orders to Active Electric Meters)

Volumes fluctuate from year to year and are impacted by external factors that are outside the company's control, e.g., the state of the economy and construction activity.

SDG&E

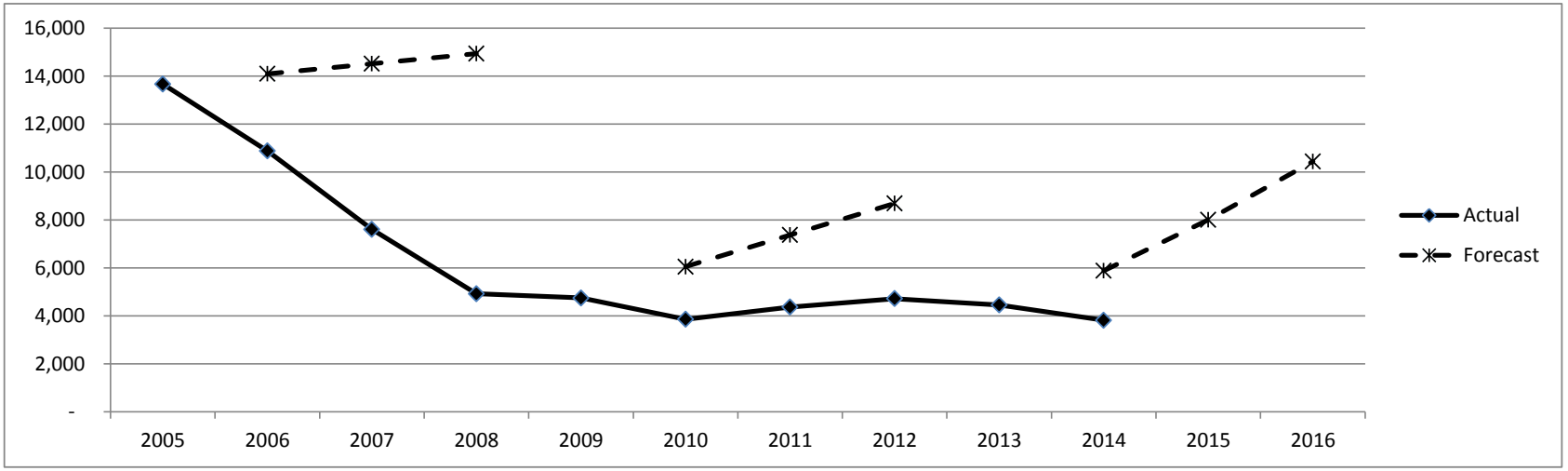
# METER WORK CAPITAL - METER SETS - GAS

**Source** Company Work
**Order Group** Meter Work - Capital
**Order Type** METER Sets - GAS

**Description:** This order type is used when a gas meter is installed at a new customer facility. The field technician installs the meter, inspects the customer's houseline, and services all gas appliances.

| Historical Averages | |
|---|---|
| 5-Yr Avg | 4,427 |
| 4-Yr Avg | 4,348 |
| 3-Yr Avg | 4,511 |

| Order Counts | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
| Actual | 13,672 | 10,880 | 7,608 | 4,922 | 4,742 | 3,857 | 4,366 | 4,716 | 4,452 | 3,815 | | |
| Forecast | | 14,095 | 14,517 | 14,940 | | 6,051 | 7,372 | 8,693 | | 5,880 | 8,002 | 10,438 |




**Forecasting Method:** Follows Capital Forecast

Volumes are driven by the forecasted growth in new business capital construction and associated meter sets.

SDG&E

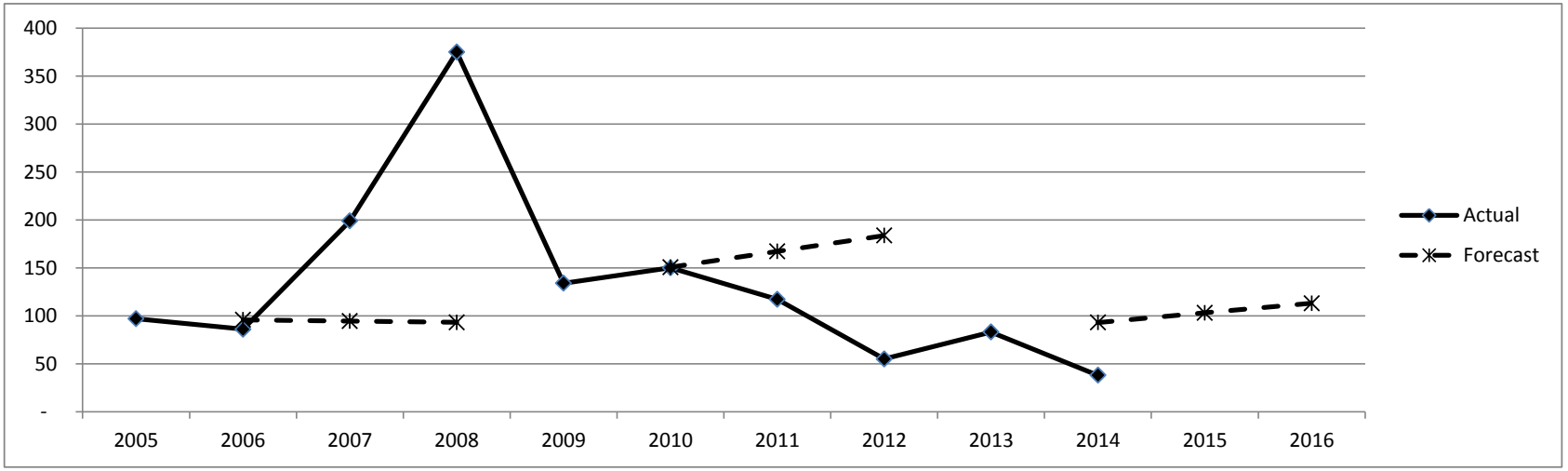
# METER WORK - O&M - ATMOSPHERIC CORROSION

**Source** Company Work
**Order Group** *Meter Work - O & M*
**Order Type** ATMOSPHERIC CORROSION

**Description:** This is a service order issued to remedy atmospheric corrosion or other abnormal operating conditions on an above ground meter set assembly (MSA). The field technician identifies and repairs abnormal operating conditions found on the MSA.

| Historical Averages | |
|---|---|
| 5-Yr Avg | 108 |
| 4-Yr Avg | 101 |
| 3-Yr Avg | 85 |

| Order Counts | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
| Actual | 97 | 86 | 199 | 375 | 134 | 150 | 117 | 55 | 83 | 38 | | |
| Forecast | | 96 | 94 | 93 | | 151 | 167 | 184 | | 93 | 103 | 113 |




**Forecasting Method:** 5-Year Avg (Orders to Active Electric Meters)

Volumes fluctuate from year to year and are impacted by external factors outside the company's control, e.g., corrosion or other abnormal operating conditions found at meters . These orders are issued following MSA inspections or when a field employee observes conditions requiring follow-up work.

SDG&E

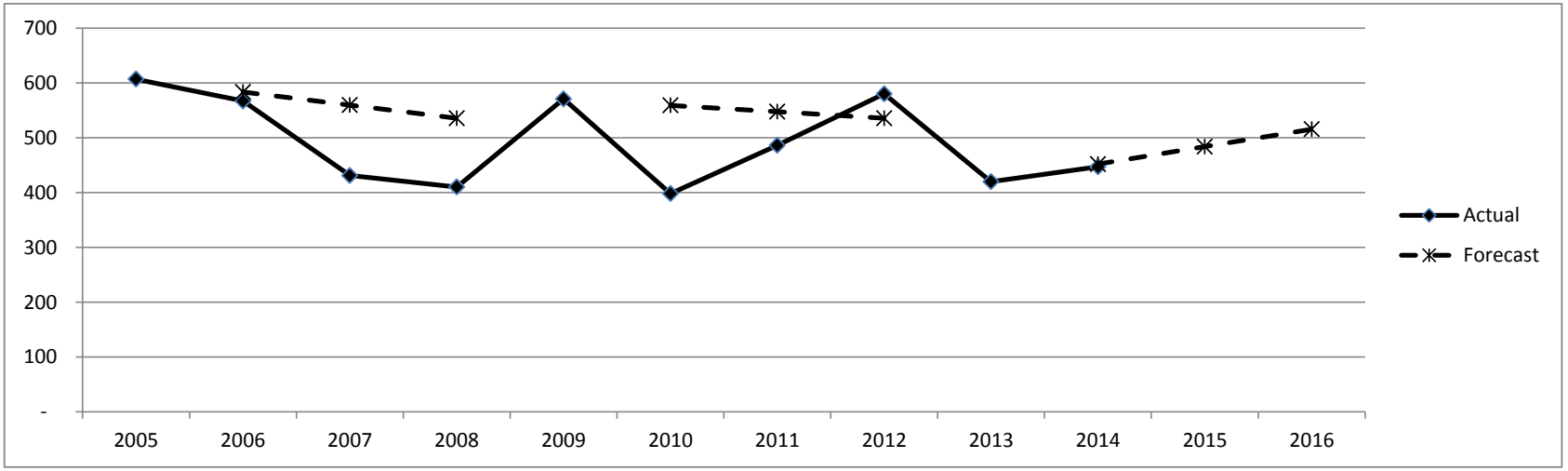
# Meter Work - O&M - CURB

**Source** Company Work
**Order Group** *Meter Work - O & M*
**Order Type** CURB

**Description:** This order type is used for DOT-required curb meter inspections. All curb meters are inspected every three years. Follow-up orders to correct conditions found that are not completed as part of the inspection are also included, e.g., replace fittings, regulator, or meter.

| Historical Averages | |
|---|---|
| 5-Yr Avg | 491 |
| 4-Yr Avg | 471 |
| 3-Yr Avg | 495 |

| Order Counts | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
| Actual | 607 | 567 | 431 | 410 | 571 | 398 | 486 | 580 | 420 | 447 | | |
| Forecast | | 583 | 559 | 536 | | 559 | 547 | 536 | | 452 | 484 | 516 |




**Forecasting Method:** 3-Yr Avg (Orders to Active Gas Meter)

Inspections are completed on a three-year cycle. Most other work orders in this order type category are the result of these inspections.

SDG&E

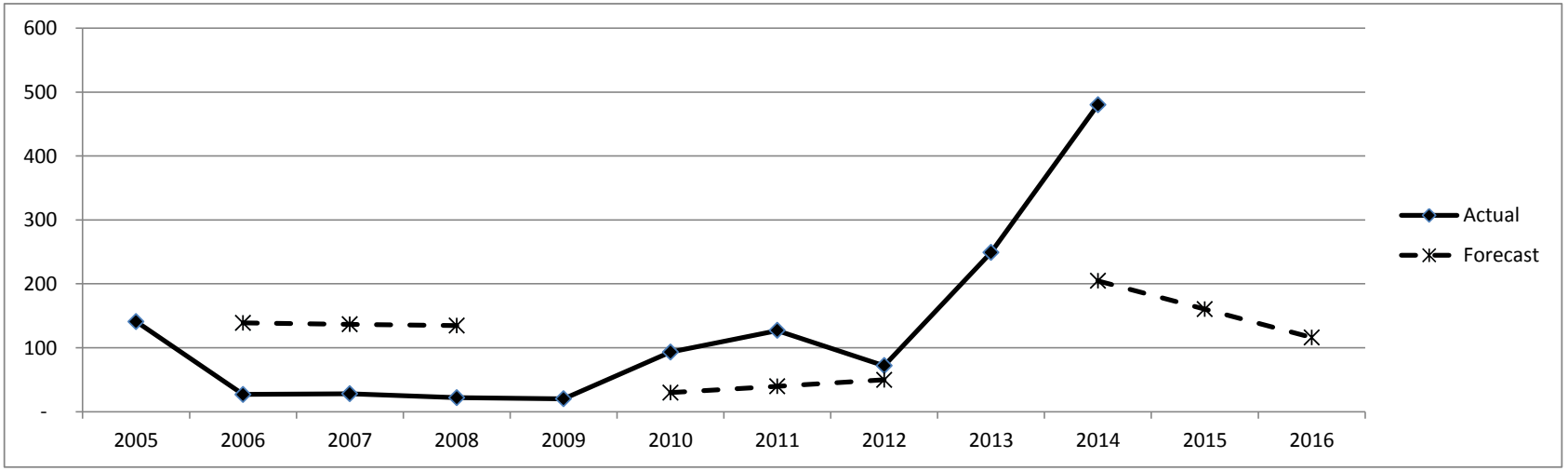
# METER WORK - O&M - CUST/COMPANY CHANGE - ELEC

**Source** Company Work
**Order Group** *Meter Work - O & M*
**Order Type** CUST/COMPANY CHANGE - ELEC

**Description:** This order type is used when an electric meter is changed due to routine maintenance issues.

| Historical Averages | |
|---|---|
| 5-Yr Avg | 112 |
| 4-Yr Avg | 135 |
| 3-Yr Avg | 149 |

| Order Counts | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
| Actual | 141 | 27 | 28 | 22 | 20 | 93 | 127 | 72 | 249 | 480 | | |
| Forecast | | 139 | 137 | 135 | | 30 | 40 | 50 | | 205 | 160 | 116 |




**Forecasting Method:** 5-Year Avg (Orders to Active Electric Meters)

Volumes fluctuate from year to year and are impacted by external factors outside the company's control, e.g., damages, customer meter requirements, etc.

SDG&E

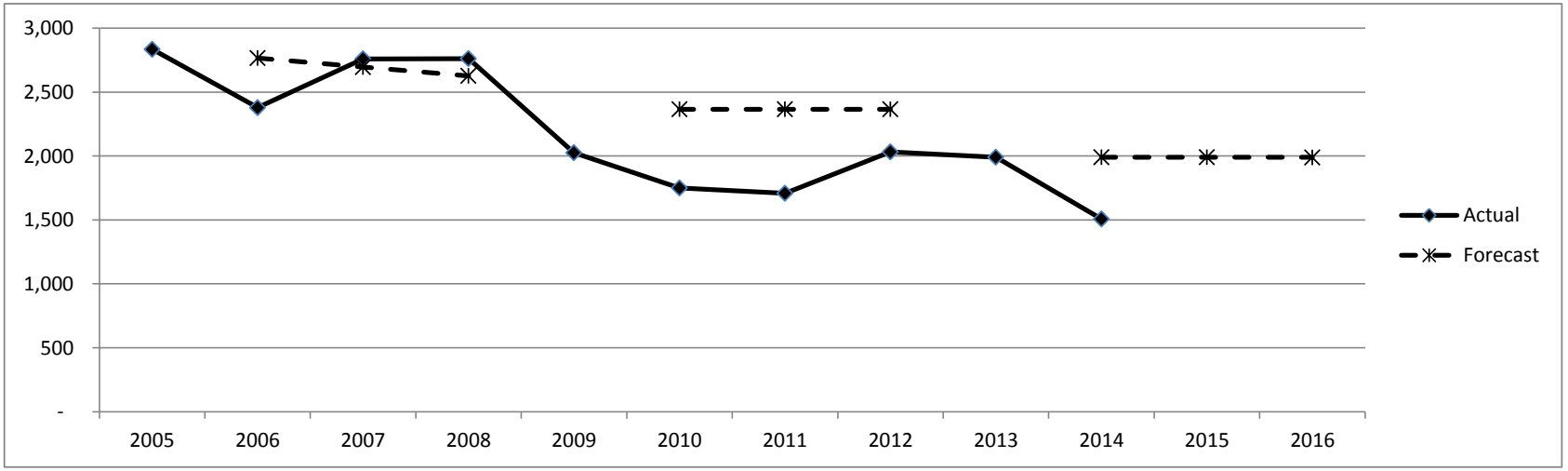
# METER WORK - O&M - CUST/COMPANY CHANGE - GAS

**Source** Company Work
**Order Group** Meter Work - O & M
**Order Type** CUST/COMPANY CHANGE - GAS

**Description:** This order type is used when a gas meter is changed due to routine maintenance issues.

| Historical Averages | |
|---|---|
| 5-Yr Avg | 1,901 |
| 4-Yr Avg | 1,870 |
| 3-Yr Avg | 1,910 |

| Order Counts | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
| Actual | 2,835 | 2,378 | 2,760 | 2,761 | 2,025 | 1,749 | 1,708 | 2,031 | 1,991 | 1,507 | | |
| Forecast | | 2,765 | 2,696 | 2,626 | | 2,366 | 2,366 | 2,366 | | 1,990 | 1,990 | 1,989 |




**Forecasting Method:** 5-Year Avg (Orders to Active Gas Meters)

Volumes fluctuate from year to year and are impacted by external factors outside the company's control, e.g., damages or a change in a customer's meter requirements.

SDG&E

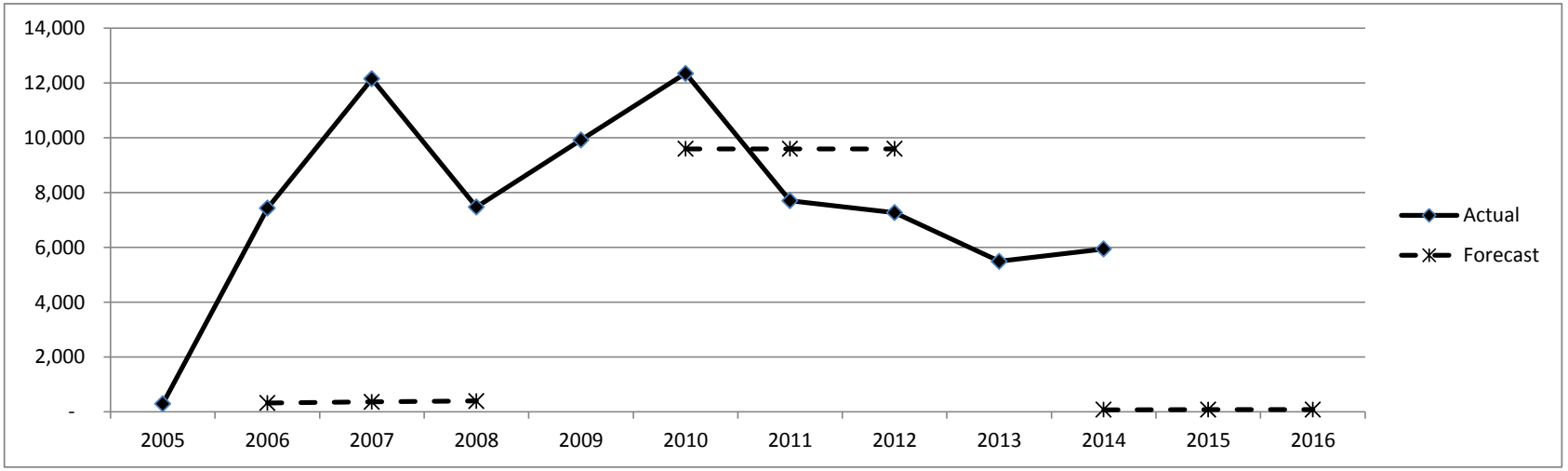
# METER WORK (O&M) - CUST COMPANY TEST(CHANGE) - GAS

**Source** Company Work
**Order Group** Meter Work - O & M
**Order Type** CUST/COMPANY TEST(CHANGE) - GAS

**Description:** This is an order where the meter is selected for replacement under SDG&E's Meter Performance Control Program, or is replaced in response to a customer request during a high bill investigation (HBI).

| Historical Averages | |
|---|---|
| 5-Yr Avg | 8,545 |
| 4-Yr Avg | 8,202 |
| 3-Yr Avg | 6,819 |

| Order Counts | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
| Actual | 286 | 7,425 | 12,147 | 7,471 | 9,918 | 12,349 | 7,703 | 7,267 | 5,488 | 5,936 | | |
| Forecast | | 320 | 354 | 388 | | 9,593 | 9,593 | 9,593 | | 70 | 71 | 72 |




**Forecasting Method:** 5-Year Avg (Orders to Active Gas Meters)

Used a 5-year average to reflect the fact that volumes have historically fluctuated from year to year. Meters planned for removal based strictly on age (i.e., >35 years old) were removed from the forecast, as this "age-only" selection criteria has been removed from our Meter Performance Control Program.

SDG&E

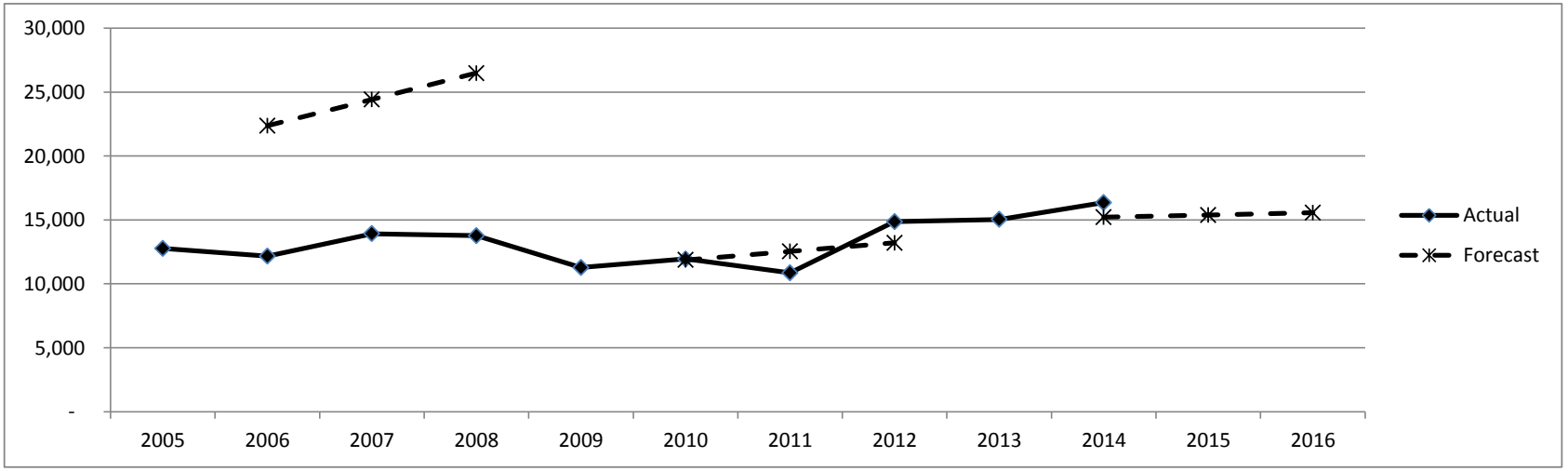
# METER WORK (O&M) - MISC COMPANY WORK

**Source** Company Work
**Order Group** Meter Work - O & M
**Order Type** MISC COMPANY WORK

**Description:** This order type is used when a field technician performs routine maintenance on the gas or electric meter. Examples include installing/removing life support seals and replacing an unreadable meter index.

| Historical Averages | |
|---|---|
| 5-Yr Avg | 12,797 |
| 4-Yr Avg | 13,177 |
| 3-Yr Avg | 13,587 |

| Order Counts | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
| Actual | 12,775 | 12,162 | 13,923 | 13,761 | 11,279 | 11,945 | 10,854 | 14,867 | 15,040 | 16,353 | | |
| Forecast | | 22,374 | 24,428 | 26,483 | | 11,869 | 12,538 | 13,207 | | 15,214 | 15,388 | 15,563 |




**Forecasting Method:** Base Year (Orders to Active Gas Meters)

This order type was impacted by Smart Meter. 2013 is the first full year post Smart Meter implementation.

SDG&E

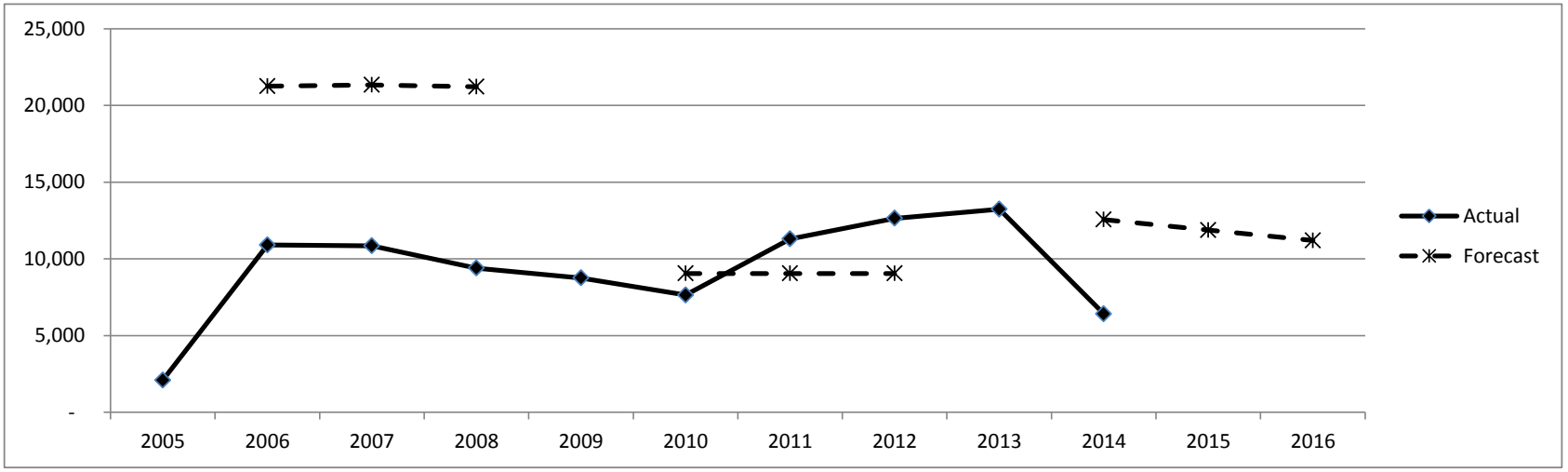
# METER WORK (O&M) - PERIODIC TEST CHANGE-GAS

**Source** Company Work
**Order Group** Meter Work - O & M
**Order Type** PERIODIC TEST/CHANGE-GAS

**Description:** This order type is used when a field technician changes a gas meter so it can be tested for accuracy. These orders are part of SDG&E's Meter Performance Control Program.

| Historical Averages | |
|---|---|
| 5-Yr Avg | 10,713 |
| 4-Yr Avg | 11,202 |
| 3-Yr Avg | 12,391 |

| Order Counts | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
| Actual | 2,083 | 10,897 | 10,850 | 9,389 | 8,758 | 7,636 | 11,301 | 12,640 | 13,232 | 6,413 | | |
| Forecast | | 21,250 | 21,338 | 21,217 | | 9,041 | 9,041 | 9,041 | | 12,553 | 11,874 | 11,195 |




**Forecasting Method:** 5-Year Avg (Orders to Active Gas Meters)

Volumes fluctuate from year to year based on the number of samples needed to validate the accuracy of meter families.

SDG&E

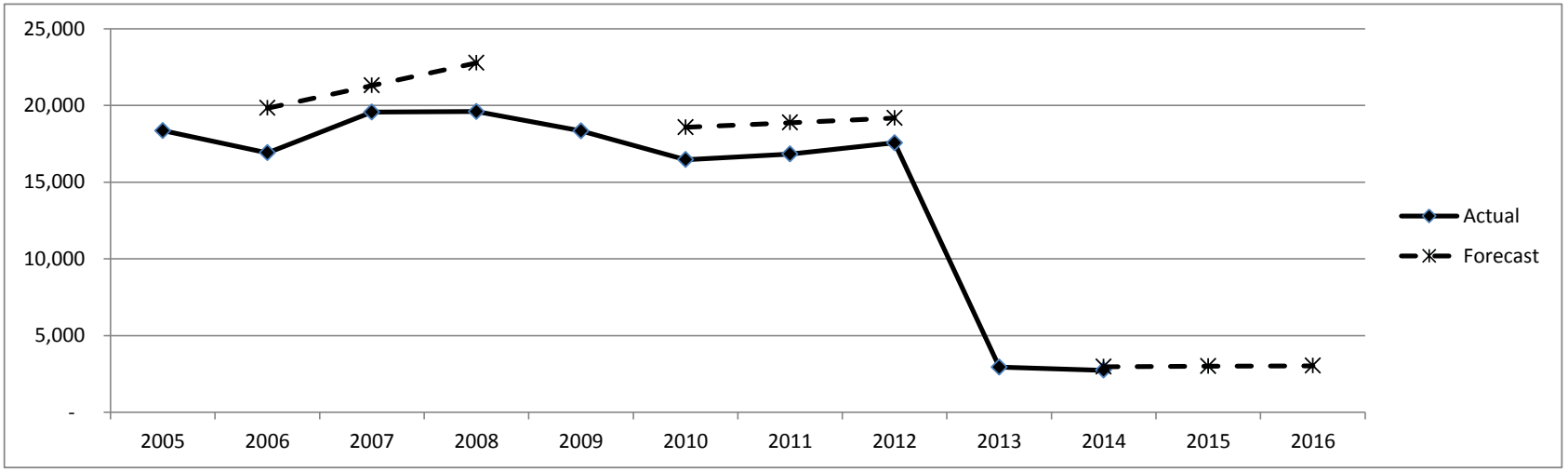
# NONPAY TURN ON - CREDIT CUT INS

**Source** Customer Work
**Order Group** Nonpay Turn On
**Order Type** CREDIT CUT INS

**Description:** This order type is used when a customer's service is turned back on after paying the balance on the account.

| Historical Averages | |
|---|---|
| 5-Yr Avg | 14,425 |
| 4-Yr Avg | 13,448 |
| 3-Yr Avg | 12,442 |

| Order Counts | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
| Actual | 18,352 | 16,912 | 19,560 | 19,596 | 18,335 | 16,465 | 16,832 | 17,556 | 2,937 | 2,737 | | |
| Forecast | | 19,826 | 21,297 | 22,769 | | 18,574 | 18,874 | 19,175 | | 2,967 | 2,998 | 3,028 |




**Forecasting Method:** Base Year (Orders to Total Active Meters)

This order was impacted by Smart Meter. 2013 is the first full year post Smart Meter implementation.

SDG&E

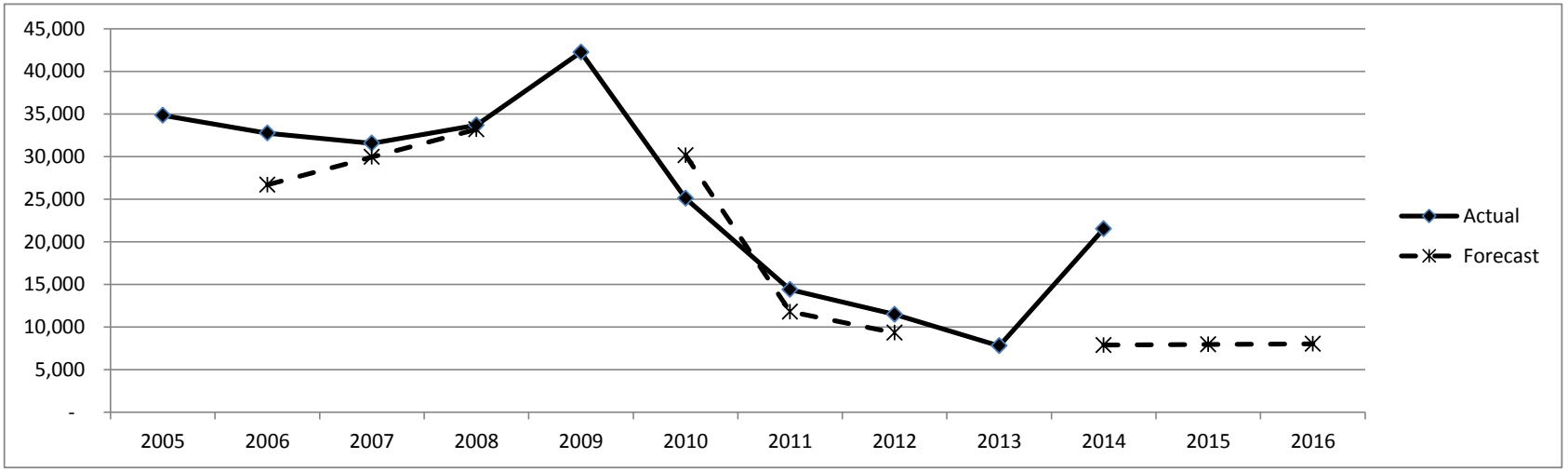
# READ VERIFY - REREADS

**Source** Company Work
**Order Group** Read/Verify
**Order Type** REREADS

**Description:** This order type is used when a meter is re-read for billing or other purposes.

| Historical Averages | |
|---|---|
| 5-Yr Avg | 20,193 |
| 4-Yr Avg | 14,685 |
| 3-Yr Avg | 11,219 |

| Order Counts | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
| Actual | 34,834 | 32,730 | 31,554 | 33,683 | 42,225 | 25,082 | 14,400 | 11,470 | 7,788 | 21,527 | | |
| Forecast | | 26,690 | 29,938 | 33,185 | | 30,143 | 11,784 | 9,333 | | 7,868 | 7,949 | 8,029 |




**Forecasting Method:** Base Year (Orders to Total Active Meters)

This order was impacted by Smart Meter. 2013 is the first full year post Smart Meter implementation.

SDG&E

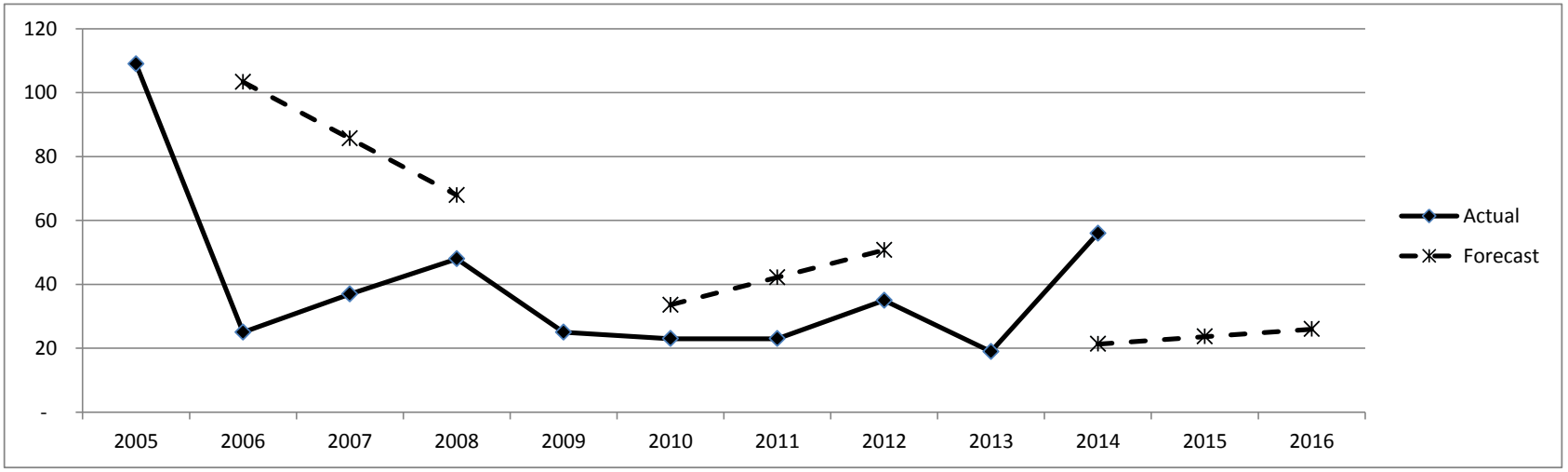
# TURN ON/SHUTOFF - CUST/COMPANY REMOVE/RESET - ELEC

**Source** Customer Work
**Order Group** TurnOn/ShutOff
**Order Type** CUST/COMPANY REMOVE/RESET - ELEC

**Description:** This order type is used when a field technican removes or reinstalls an electric meter.

| Historical Averages | |
|---|---|
| 5-Yr Avg | 25 |
| 4-Yr Avg | 25 |
| 3-Yr Avg | 26 |

| Order Counts | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
| Actual | 109 | 25 | 37 | 48 | 25 | 23 | 23 | 35 | 19 | 56 | | |
| Forecast | | 103 | 86 | 68 | | 34 | 42 | 51 | | 21 | 24 | 26 |




**Forecasting Method:** 5-Year Avg (Orders to Active Electric Meters)

Volumes fluctuate from year to year and are impacted by external factors outside the company's control, e.g., the state of the economy and customer turnover.

SDG&E

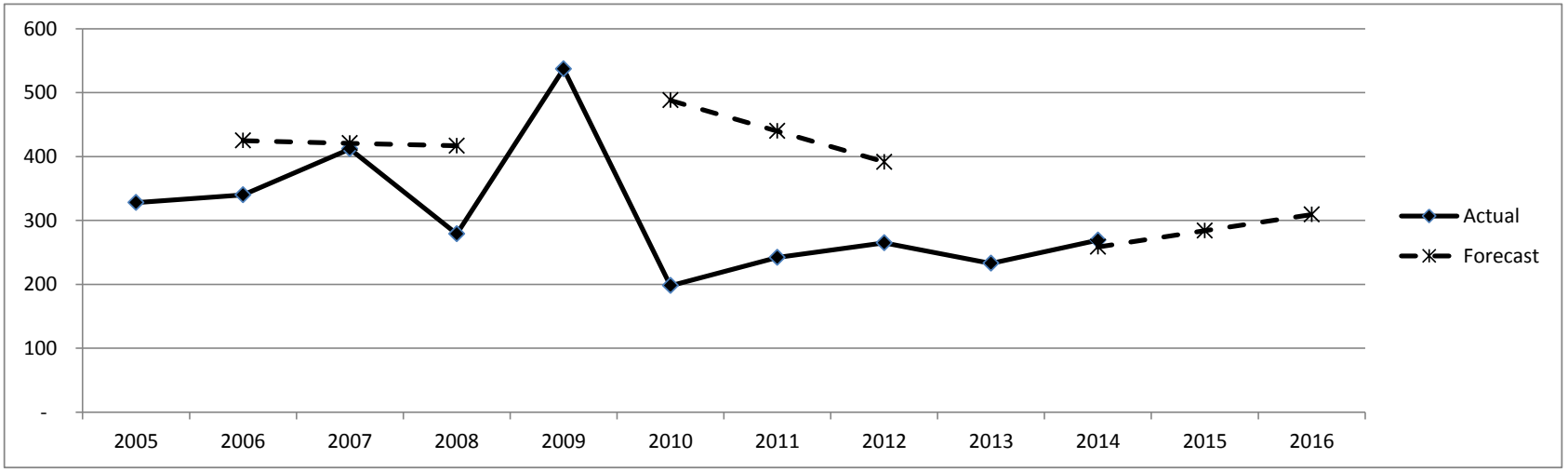
# TURN ON/SHUTOFF - CUST COMPANY REMOVE RESET - GAS

**Source** Customer Work
**Order Group** TurnOn/ShutOff
**Order Type** CUST/COMPANY REMOVE/RESET - GAS

**Description:** This order type is used when a field technician removes or reinstalls a gas meter.

| Historical Averages | |
|---|---|
| 5-Yr Avg | 295 |
| 4-Yr Avg | 235 |
| 3-Yr Avg | 247 |

| Order Counts | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
| Actual | 328 | 340 | 412 | 279 | 537 | 198 | 242 | 265 | 233 | 269 | | |
| Forecast | | 425 | 421 | 417 | | 488 | 440 | 392 | | 258 | 284 | 309 |




**Forecasting Method:** 5-Year Avg (Orders to Active Gas Meters)

Volumes fluctuate from year to year and are impacted by external factors outside the company's control, e.g., the state of the economy and customer turnover.

SDG&E

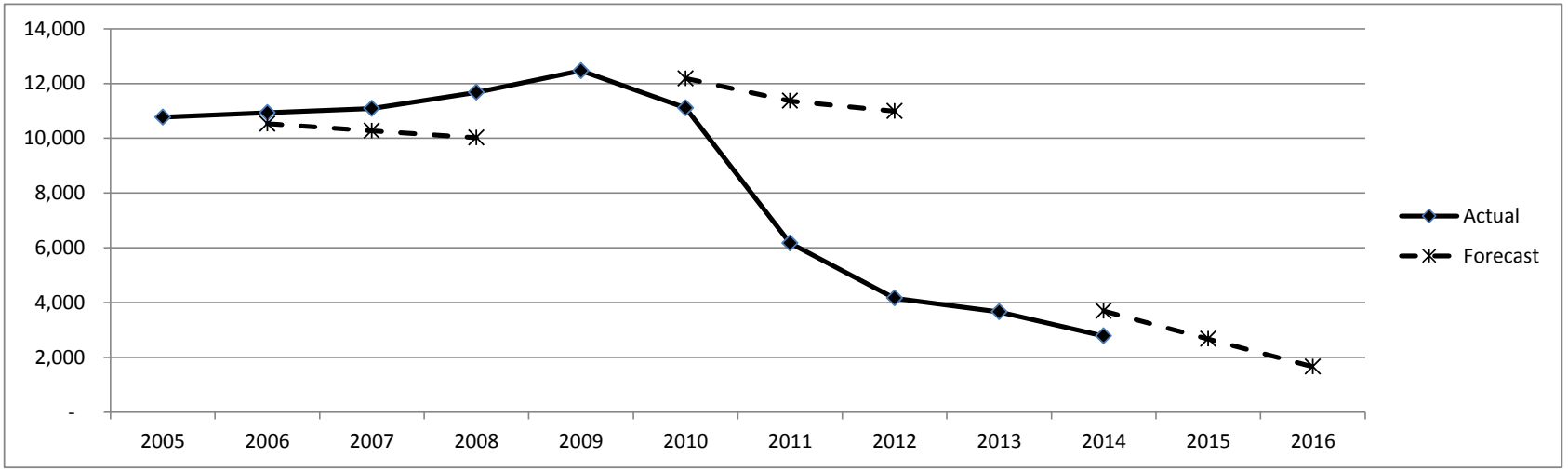
# TURN ON/SHUTOFF - GIVE NOTICE CUT

**Source** Customer Work
**Order Group** TurnOn/ShutOff
**Order Type** GIVE NOTICE CUT

**Description:** This order type is used when a customer has been given 24 hours to establish an account and they have not contacted the utility. The field technician closes and secures the meter.

| Historical Averages | |
|---|---|
| 5-Yr Avg | 7,514 |
| 4-Yr Avg | 6,276 |
| 3-Yr Avg | 4,666 |

| Order Counts | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
| Actual | 10,771 | 10,934 | 11,088 | 11,676 | 12,464 | 11,108 | 6,167 | 4,165 | 3,665 | 2,779 | | |
| Forecast | | 10,530 | 10,276 | 10,023 | | 12,181 | 11,363 | 10,986 | | 3,692 | 2,673 | 1,662 |




**Forecasting Method:** Base Year + OBR Adjustment

This order type was impacted by Smart Meter. 2013 is the first full year post Smart Meter implementation. An adjustment was made to account for an anticipated reduction in order volumes resulting from the Off But Registering project.

SDG&E

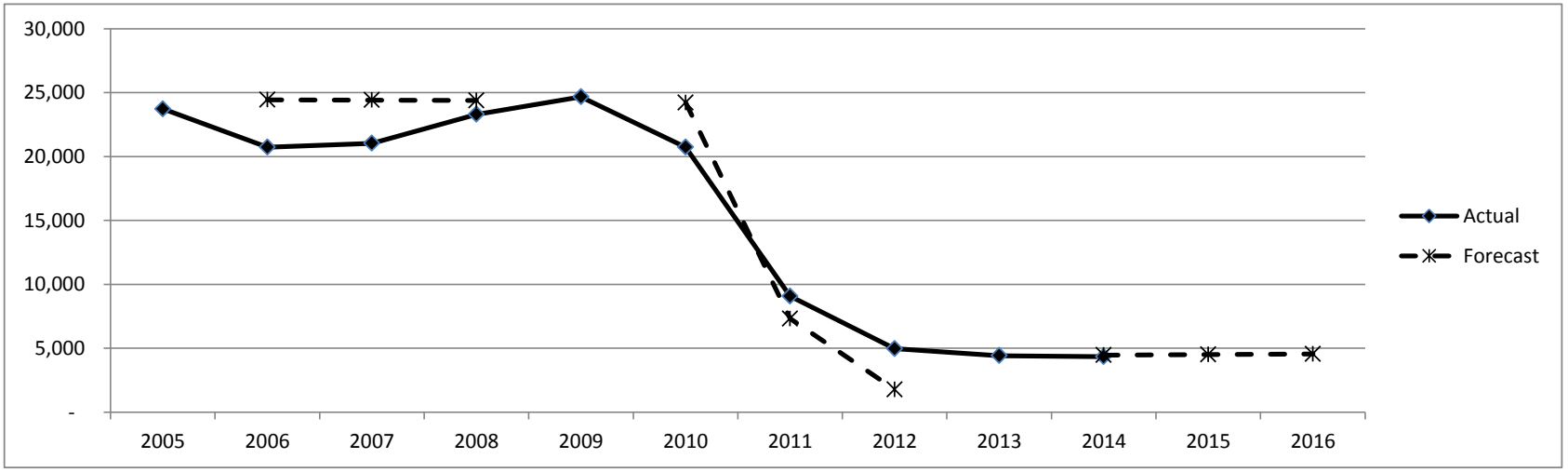
# TURN ON/SHUTOFF - SHUT OFF ELEC

**Source** Customer Work
**Order Group** TurnOn/ShutOff
**Order Type** SHUT OFF ELEC

**Description:** This order type is used when a customer requests that electric service be shut off. Electric service is shut off remotely when possible.

| Historical Averages | |
|---|---|
| 5-Yr Avg | 12,772 |
| 4-Yr Avg | 9,798 |
| 3-Yr Avg | 6,153 |

| Order Counts | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
| Actual | 23,724 | 20,730 | 21,035 | 23,294 | 24,670 | 20,734 | 9,069 | 4,966 | 4,423 | 4,354 | | |
| Forecast | | 24,443 | 24,413 | 24,384 | | 24,220 | 7,319 | 1,784 | | 4,465 | 4,507 | 4,549 |




**Forecasting Method:** Base Year (Orders to Active Electric Meters)

This order type was impacted by Smart Meter. 2013 is the first full year post Smart Meter implementation.

SDG&E

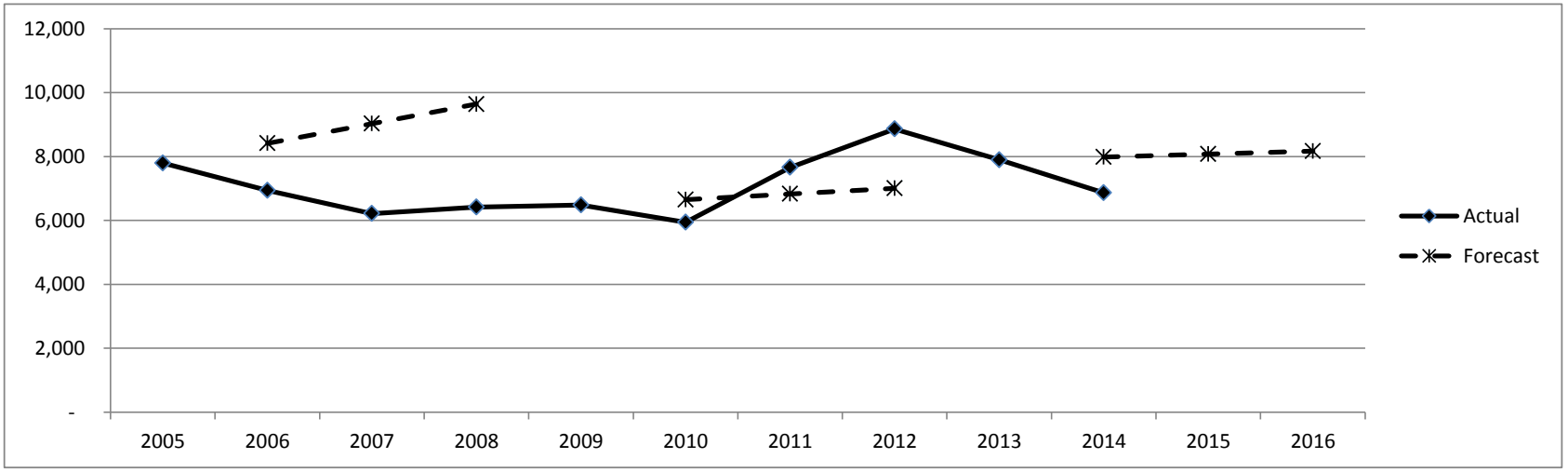
# TURN ON/SHUTOFF - SHUT OFF GAS

**Source** Customer Work
**Order Group** TurnOn/ShutOff
**Order Type** SHUT OFF GAS

**Description:** This is a service request to shut off gas service. The field technician turns off the gas service at the customer's meter.

| Historical Averages | |
|---|---|
| 5-Yr Avg | 7,369 |
| 4-Yr Avg | 7,591 |
| 3-Yr Avg | 8,139 |

| Order Counts | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
| Actual | 7,795 | 6,944 | 6,216 | 6,414 | 6,482 | 5,946 | 7,659 | 8,863 | 7,896 | 6,863 | | |
| Forecast | | 8,417 | 9,028 | 9,638 | | 6,649 | 6,828 | 7,008 | | 7,987 | 8,079 | 8,170 |




**Forecasting Method:** Base Year (Orders to Active Gas Meters)

This order type was impacted by Smart Meter. 2013 is the first full year post Smart Meter implementation.

SDG&E

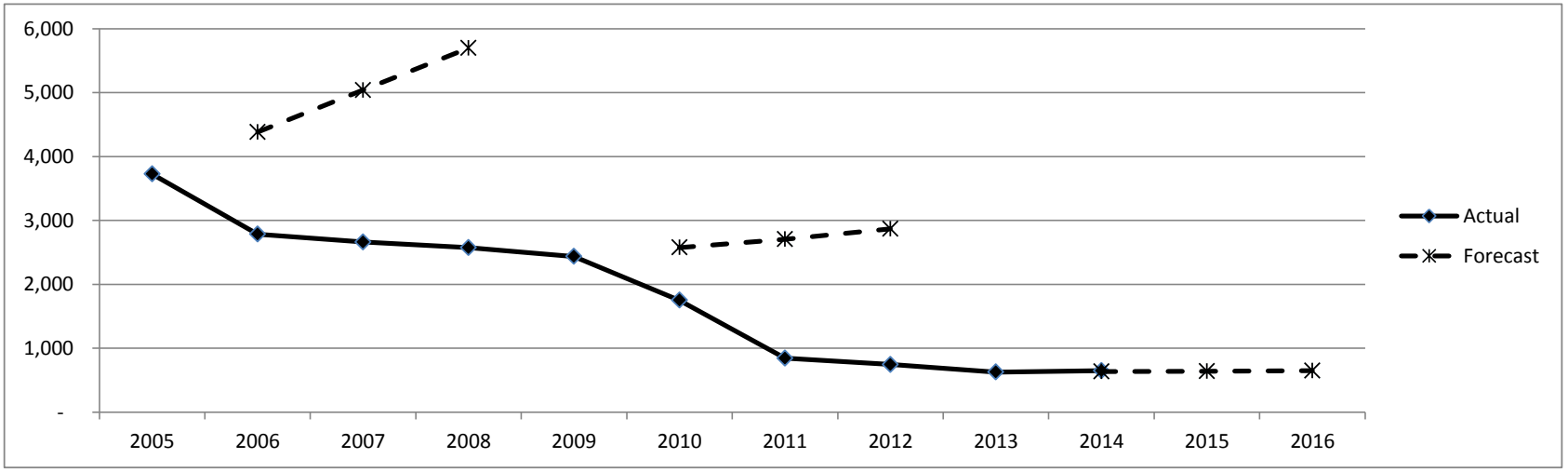
# TURN ON/SHUTOFF - SHUT OFF GAS AND ELEC

**Source** Customer Work
**Order Group** TurnOn/ShutOff
**Order Type** SHUT OFF GAS AND ELEC

**Description:** This order type is used when a customer requests that both their electric and gas service be shut off. The field technician closes and secures the gas meter. The electric service is shut off remotely when possible.

| Historical Averages | |
|---|---|
| 5-Yr Avg | 1,282 |
| 4-Yr Avg | 993 |
| 3-Yr Avg | 740 |

| Order Counts | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
| Actual | 3,727 | 2,787 | 2,662 | 2,573 | 2,436 | 1,751 | 846 | 746 | 629 | 651 | | |
| Forecast | | 4,382 | 5,039 | 5,696 | | 2,576 | 2,705 | 2,867 | | 635 | 642 | 648 |




**Forecasting Method:** Base Year (Orders to Total Active Meters)

This order type was impacted by Smart Meter. 2013 is the first full year post Smart Meter implementation.

SDG&E

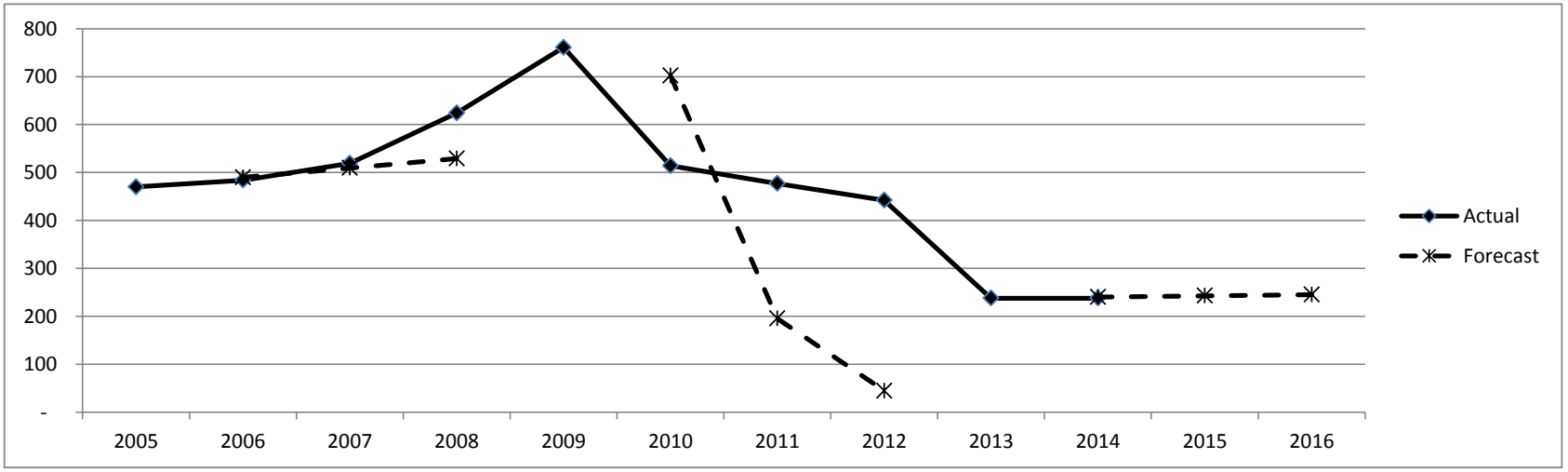
# TURN ON/SHUTOFF - SHUT OFF IN ERROR

**Source** Customer Work
**Order Group** TurnOn/ShutOff
**Order Type** SHUT OFF IN ERROR

**Description:** This order type is used when gas or electric service is restored after being turned off for an unknown reason.

| Historical Averages | |
|---|---|
| 5-Yr Avg | 486 |
| 4-Yr Avg | 418 |
| 3-Yr Avg | 386 |

| Order Counts | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
| Actual | 470 | 484 | 519 | 624 | 761 | 514 | 477 | 442 | 238 | 238 | | |
| Forecast | | 490 | 510 | 529 | | 702 | 196 | 45 | | 240 | 243 | 245 |




**Forecasting Method:** Base Year (Orders to Total Active Meters)

This order type was impacted by Smart Meter. 2013 is the first full year post Smart Meter implementation.

SDG&E

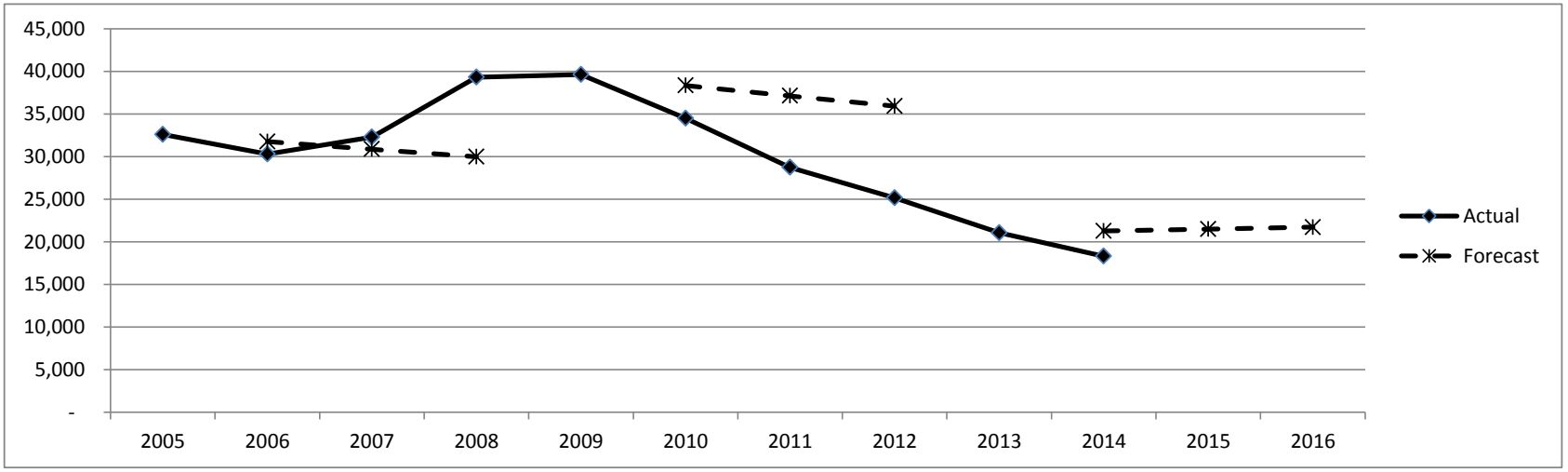
# TURN ON/SHUTOFF - SOFT SHUT OFF GAS ELEC

**Source** Customer Work
**Order Group** TurnOn/ShutOff
**Order Type** SOFT SHUT OFF GAS ELEC

**Description:** This is where a customer request was initiated to shut off both the electric and gas service. The service technician does not close the meters. Information is left informing the new customer to call for service.

| Historical Averages | |
|---|---|
| 5-Yr Avg | 29,814 |
| 4-Yr Avg | 27,360 |
| 3-Yr Avg | 24,985 |

| Order Counts | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
| Actual | 32,592 | 30,274 | 32,292 | 39,307 | 39,627 | 34,485 | 28,728 | 25,165 | 21,063 | 18,307 | | |
| Forecast | | 31,742 | 30,864 | 29,986 | | 38,337 | 37,120 | 35,927 | | 21,280 | 21,497 | 21,714 |




**Forecasting Method:** Base Year (Orders to Total Active Meters)

This order type was impacted by Smart Meter. 2013 is the first full year post Smart Meter implementation.

SDG&E

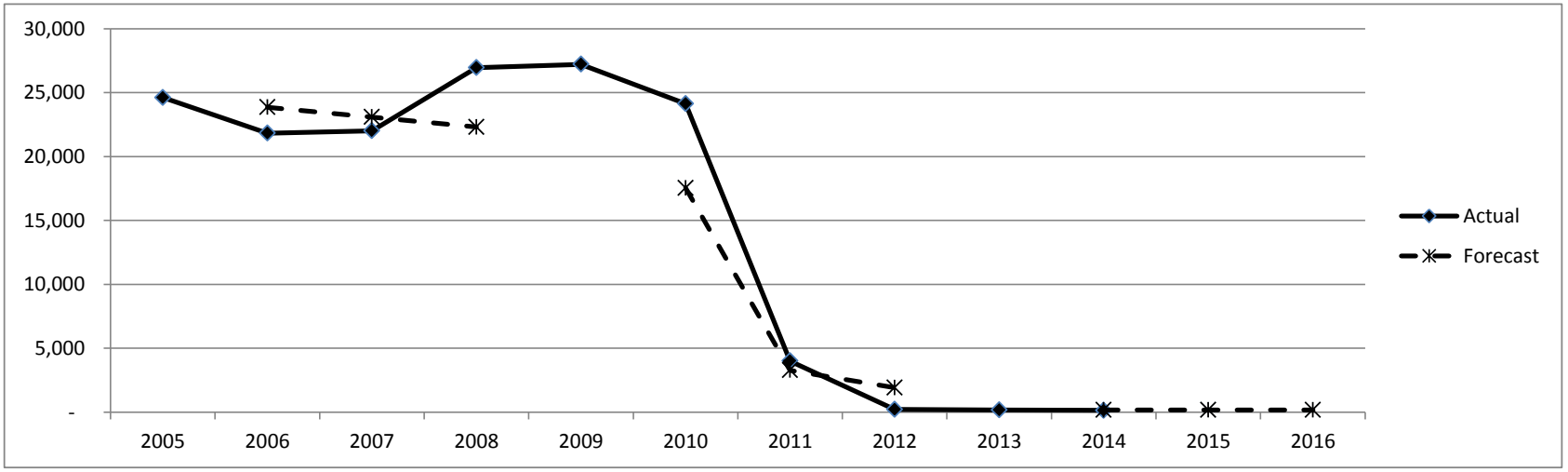
# TURN ON/SHUTOFF - SOFT TURN ON GAS TURN ON ELEC

**Source** Customer Work
**Order Group** TurnOn/ShutOff
**Order Type** SOFT TURN ON GAS TURN ON

**Description:** This is where a new customer has called for service. The gas meter is read and the electric service is turned on. No appliances are serviced.

| Historical Averages | |
|---|---|
| 5-Yr Avg | 11,150 |
| 4-Yr Avg | 7,134 |
| 3-Yr Avg | 1,468 |

| Order Counts | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
| Actual | 24,614 | 21,821 | 22,018 | 26,959 | 27,212 | 24,132 | 4,005 | 225 | 174 | 143 | | |
| Forecast | | 23,858 | 23,087 | 22,315 | | 17,545 | 3,284 | 1,927 | | 176 | 178 | 179 |




**Forecasting Method:** Base Year (Orders to Total Active Meters)

This order type was impacted by Smart Meter. 2013 is the first full year post Smart Meter implementation.

SDG&E

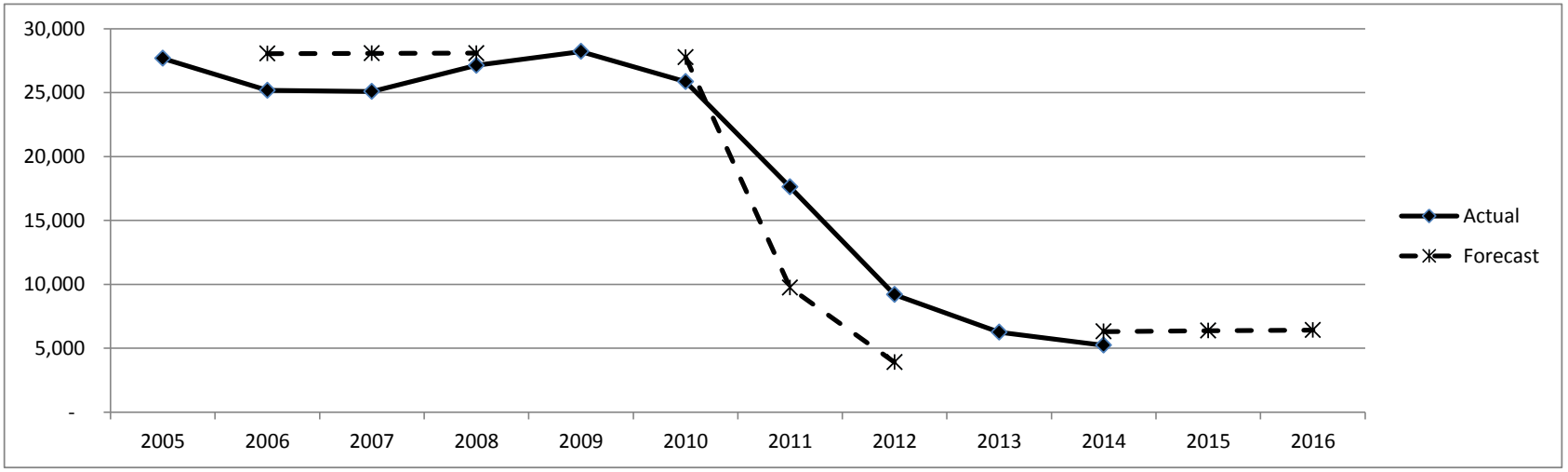
# TURN ON/SHUTOFF - TURN ON ELEC

**Source** Customer Work
**Order Group** TurnOn/ShutOff
**Order Type** TURN ON ELEC

**Description:** This is where a new customer has called for service. The field technician turns on the electric service.

| Historical Averages | |
|---|---|
| 5-Yr Avg | 17,424 |
| 4-Yr Avg | 14,728 |
| 3-Yr Avg | 11,020 |

| Order Counts | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
| Actual | 27,670 | 25,171 | 25,080 | 27,125 | 28,211 | 25,850 | 17,615 | 9,196 | 6,250 | 5,236 | | |
| Forecast | | 28,053 | 28,066 | 28,080 | | 27,766 | 9,740 | 3,902 | | 6,310 | 6,369 | 6,429 |




**Forecasting Method:** Base Year (Orders to Active Electric Meters)

This order type was impacted by Smart Meter. 2013 is the first full year post Smart Meter implementation.

SDG&E

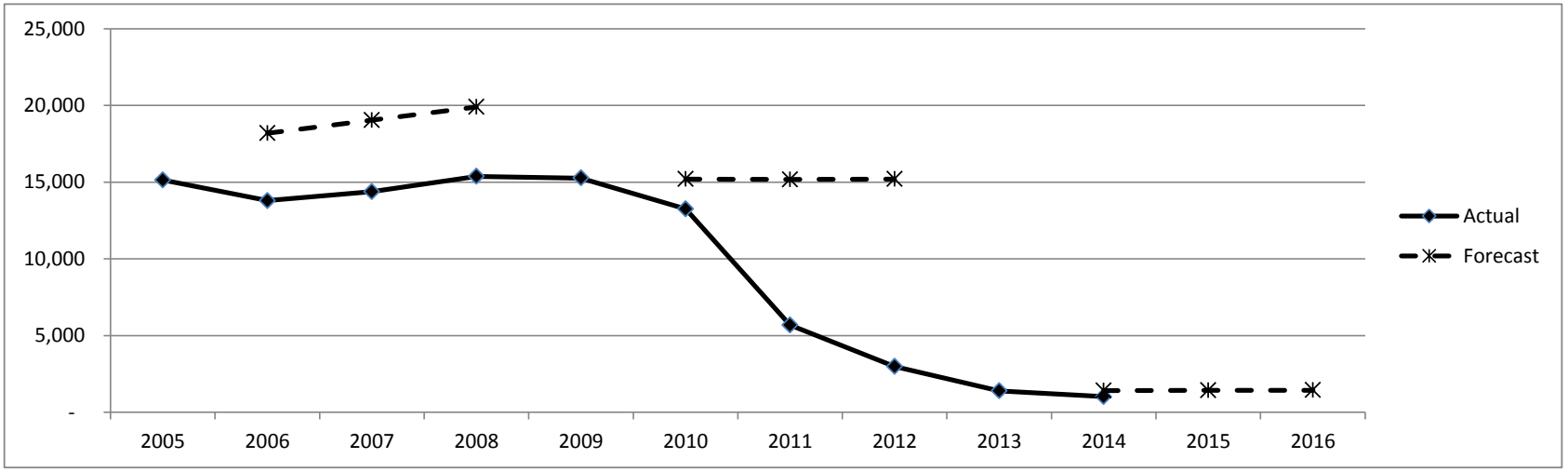
# TURNON/SHUTOFF - TURN ON G/E

**Source** Customer Work
**Order Group** TurnOn/ShutOff
**Order Type** TURN ON G/E

**Description:** This is where a new customer has called for service. The gas and electric service is turned on. All gas appliances are serviced.

| Historical Averages | |
|---|---|
| 5-Yr Avg | 7,712 |
| 4-Yr Avg | 5,825 |
| 3-Yr Avg | 3,348 |

| Order Counts | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
| Actual | 15,138 | 13,789 | 14,375 | 15,379 | 15,263 | 13,255 | 5,674 | 2,976 | 1,394 | 1,017 | | |
| Forecast | | 18,186 | 19,045 | 19,904 | | 15,197 | 15,171 | 15,194 | | 1,408 | 1,423 | 1,437 |




**Forecasting Method:** Base Year (Orders to Total Active Meters)

This order type was impacted by Smart Meter. 2013 is the first full year post Smart Meter implementation.

SDG&E

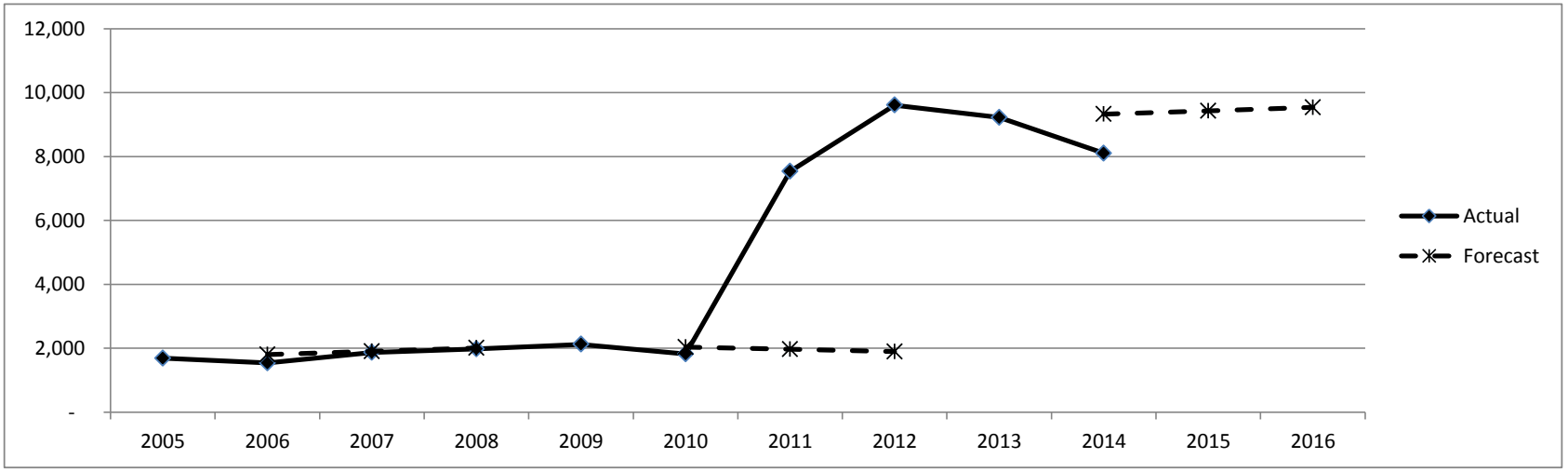
# TURN ON GAS

**Source** Customer Work
**Order Group** TurnOn/ShutOff
**Order Type** TURN ON GAS

**Description:** This is where a new customer has called for service. The field technician turns on the gas meter and all gas appliances are serviced.

| Historical Averages | |
|---|---|
| 5-Yr Avg | 6,064 |
| 4-Yr Avg | 7,048 |
| 3-Yr Avg | 8,789 |

| Order Counts | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
| Actual | 1,692 | 1,541 | 1,868 | 1,980 | 2,125 | 1,825 | 7,540 | 9,609 | 9,219 | 8,104 | | |
| Forecast | | 1,805 | 1,908 | 2,010 | | 2,041 | 1,971 | 1,900 | | 9,326 | 9,433 | 9,539 |




**Forecasting Method:** Base Year (Orders to Active Gas Meters)

This order type was impacted by Smart Meter. 2013 is the first full year post Smart Meter implementation.

SDG&E

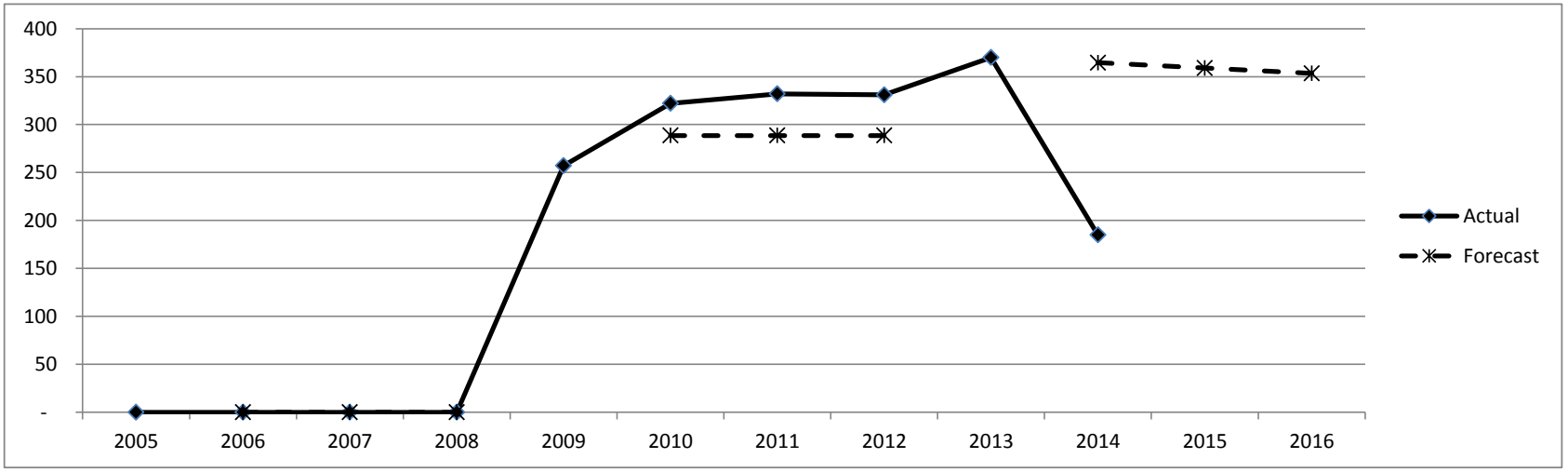
# MISCELLANEOUS - HOUSELINE TEST PURGE-O&M

**Source** Company Work
**Order Group** Miscellaneous
**Order Type** HOUSELINE TEST/PURGE - O&M

**Description:** This order type is used when customer-owned piping for a pre-established account is tested by the field technician to ensure the gas is odorized .

| Historical Averages | |
|---|---|
| 5-Yr Avg | 322 |
| 4-Yr Avg | 339 |
| 3-Yr Avg | 344 |

| Order Counts | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
| Actual | - | - | - | - | 257 | 322 | 332 | 331 | 370 | 185 | | |
| Forecast | | - | - | - | | 289 | 289 | 289 | | 364 | 359 | 353 |




**Forecasting Method:** 4-Year Avg (Orders to Active Gas Meters)

Volumes fluctuate from year to year and are impacted by external factors outside the company's control, e.g., the condition of a customer's houseline. Excluded 2009 given that new procedures were implemented which, in turn, impacted order volumes.

SDG&E

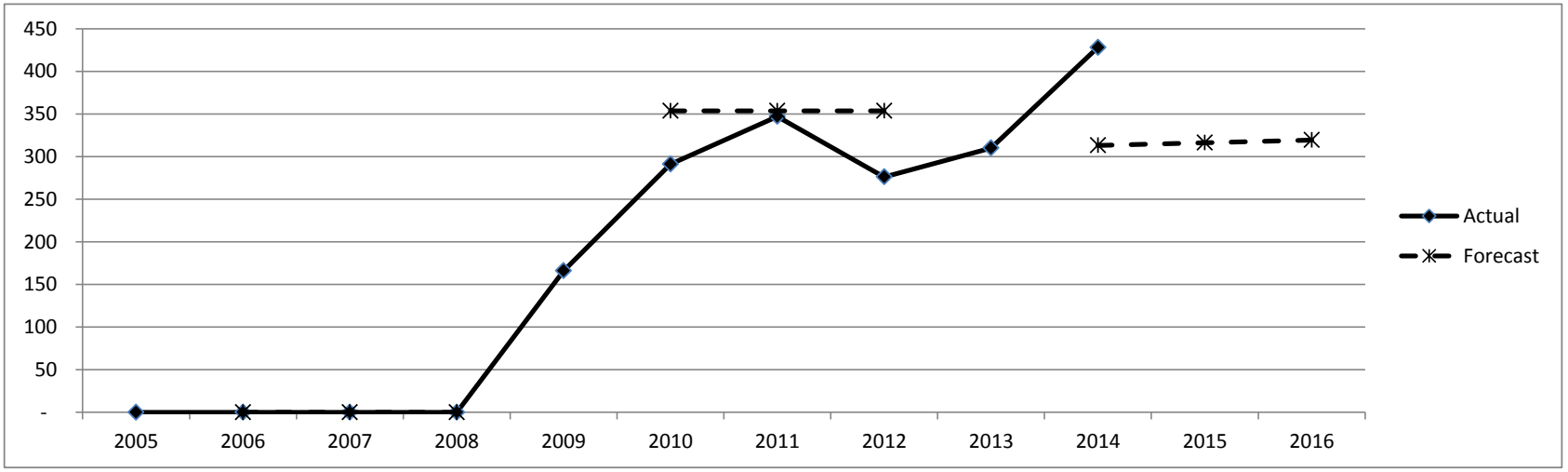
# MISCELLANEOUS - HOUSELINE TEST PURGE-CAPITAL

**Source** Company Work
**Order Group** Miscellaneous
**Order Type** HOUSELINE TEST/PURGE - CAPITAL

**Description:** This order type is used when a field technician tests customer-owned piping for a new facility to ensure the gas is odorized.

| Historical Averages | |
|---|---|
| 5-Yr Avg | 278 |
| 4-Yr Avg | 306 |
| 3-Yr Avg | 311 |

| Order Counts | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
| Actual | - | - | - | - | 166 | 291 | 347 | 276 | 310 | 428 | | |
| Forecast | | - | - | - | | 353 | 353 | 353 | | 313 | 316 | 319 |




**Forecasting Method:** 4-Year Avg (Orders to Active Gas Meters)

Volumes fluctuate from year to year and are impacted by external factors outside the company's control, e.g., the condition of a customer's houseline. Excluded 2009 given that new procedures were implemented which, in turn, impacted order volumes.

SDG&E

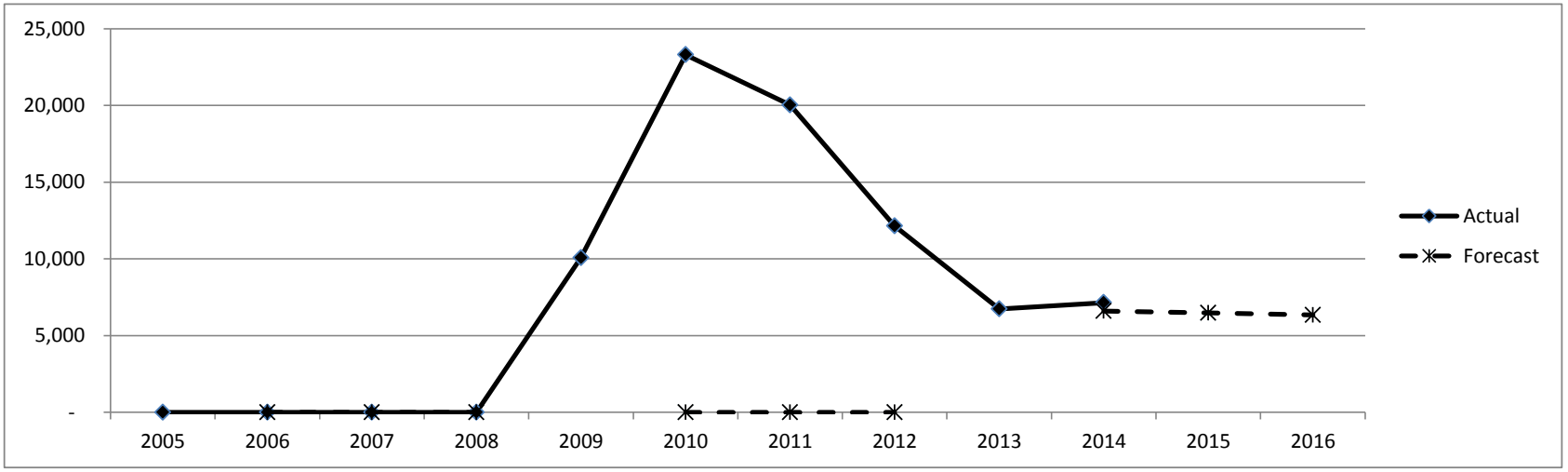
# SMART METER

**Source** Company Work
**Order Group** Miscellaneous
**Order Type** SMART METER

**Description:** Orders related to Smart Meter equipment. Examples include Opt-Out and MTU replacement.

| Historical Averages | |
|---|---|
| 5-Yr Avg | 14,456 |
| 4-Yr Avg | 15,551 |
| 3-Yr Avg | 12,969 |

| Order Counts | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
| Actual | - | - | - | - | 10,073 | 23,299 | 20,024 | 12,150 | 6,732 | 7,144 | | |
| Forecast | | - | - | - | | - | - | - | | 6,601 | 6,471 | 6,340 |




**Forecasting Method:** Base Year (Adj. to remove AM Deployment Work) (Orders to Total Active Meters)

This order type was created to account for Smart Meter work. 2013 is the first full year post Smart Meter implementation.

SDG&E

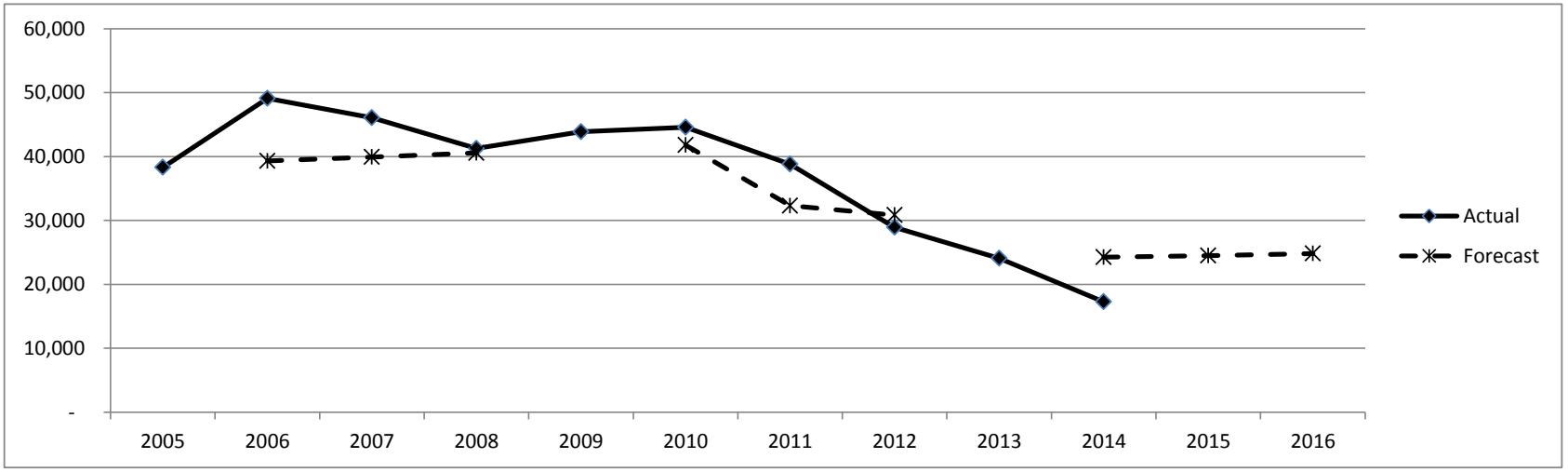
# CSF - INCOMPLETE

**Source** Incomplete
**Order Group** *CSF*
**Order Type** INCOMPLETE

**Description:** This order type is used when a field technician is not able to complete an order, e.g., customer not home, cannot access meter, etc.

| Historical Averages | |
|---|---|
| 5-Yr Avg | 36,046 |
| 4-Yr Avg | 34,092 |
| 3-Yr Avg | 30,599 |

| Order Counts | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
| Actual | 38,311 | 49,098 | 46,057 | 41,270 | 43,862 | 44,570 | 38,787 | 28,940 | 24,069 | 17,281 | | |
| Forecast | | 39,299 | 39,924 | 40,565 | | 41,783 | 32,313 | 30,839 | | 24,243 | 24,499 | 24,813 |




**Forecasting Method:** Base Year (Orders to Total Active Meters)

This order type was impacted by Smart Meter. 2013 is the first full year post Smart Meter implementation.

SDG&E

# Appendix B

## SDG&E Data Request (SEU-ORA-DR-06) and ORA Response

**ORA**

*Office of Ratepayer Advocates*
*California Public Utilities Commission*

505 Van Ness Avenue
San Francisco, CA 94102
Phone: (415) 703-2544
Fax: (415) 703-2057

http://ora.ca.gov

## ORA Response to Sempra Energy Utilities' Data Request
## San Diego Gas & Electric Co. Test Year 2016 General Rate Case, A.14-11-003
## Southern California Gas Co. Test Year 2016 General Rate Case, A.14-11-004

**Origination Date:** May 1, 2015
**Due Date:** May 15, 2015
**Response Date:** May 18, 2015

**To:**
Chuck Manzuk
cmanzuk@semprautilities.com
1-858-654-1782

Billie Overturf
boverturf@semprautilities.com
1-858-654-1779

**From:** Clayton Tang and Truman Burns, Project Coordinators
Office of Ratepayer Advocates
505 Van Ness Avenue, Room 4205
San Francisco, CA 94102

**Response by:** Tamera Godfrey
**Phone:** 415-703-1367
**Email:** tlg@cpuc.ca.gov

**Data Request No:** SEU-ORA-DR-06
**Exhibit Reference:** ORA-13
**Subject:** SCG Customer Services Field and Meter Reading
SDG&E Customer Services Field

***The following is ORA's response to Sempra's data request. If you have any questions, please contact the responder at the phone number and/or email address shown above.***

Q.1: Please provide the actual workpaper page or the Sempra Utility data request response attachment page that serves as the basis for the statements made throughout the prepared direct testimony by Ms. Tamera Godfrey in Exhibit ORA-

13, as shown below in a. through e., regarding one-time and non-recurring costs that were not removed. Please also explain the basis for ORA's assertion that these are one-time and non-recurring expenses.

a. Customer Services Field (CSF) Operations on page 49, footnote 135:
"SCG's historical expenses (2009-2013) include costs incurred for one-time, non-recurring and unusual expenses (expenses incurred that are not necessary or required to operate the utility business).

ORA discovered that SCG did not remove all these costs, which are incorporate into ORA's TY 2016 estimate and provides embedded funding that SCG can reallocate in the TY for proposed activities (SCG response to ORA-SCG-052-TLG, Q.17)."

b. CSF Operations on page 54, footnote 147:
"SCG's adjusted-recorded expenses (2009-2013) for its CSF Operations include overtime costs and costs incurred for one-time, non-recurring and unusual expenses (expenses incurred that are not necessary or required to operate the utility business) that SCG and reallocate in the TY for proposed activities (SCG response to ORA-SCG-052-TLG, Q.17)."

c. CSF Operations on page 58, line 13:
"SCG also has embedded funding from completed and eliminated projects, programs, and training as well as costs incurred for one-time non-recurring activities that SCG can reallocate funding from those activities in the TY for its proposed job shadowing program."

d. CSF Supervision on page 63, footnote 176:
"SCG's historical expenses (2009-2013) include costs incurred for one-time, non-recurring and unusual expenses (expenses incurred that are not necessary or required to operate the utility business). ORA discovered that SCG did not remove all these costs, which are incorporate into ORA's TY 2016 estimate and provides embedded funding that SCG, can reallocate in the TY for proposed activities (SCG response to ORA-SCG-052-TLG, Q.17)."

e. CSF Support on page 65, footnote 180:
"SCG's historical expenses (2009-2013) include costs incurred for expenses (2009-2013) include costs incurred for one-time, non-recurring and unusual expenses (expenses incurred that are not necessary or required to operate the utility business). ORA discovered that SCG did not remove all these costs, which are incorporate into ORA's TY 2016 estimate and provides embedded funding that SCG can reallocate in the TY for proposed activities (SCG response to ORA-SCG-052-TLG, Q.17)."

A.1 a-e:

Regarding "the actual workpaper page or the Sempra Utility data request response attachment page that serves as the basis for the statements" made in ORA's testimony regarding SCG's historical expenses (2009-2013) including costs incurred for one-time, non-recurring and unusual expenses (expenses incurred that are not necessary or required to operate the utility business), see SCG's response to ORA-SCG-052-TLG, Q.17.

As discussed in ORA's testimony on pages 49, 54, 58, 63, and 65 SCG's historical expenses (2009-2013) include costs incurred for one-time, non-recurring and unusual expenses (expenses incurred that are not necessary or required to operate the utility business). According to SoCalGas' responses to ORA-SCG-052-TLG, Q. 17, SoCalGas did not remove all these costs. See, in response to ORA-SCG-TLG-52, Q. 17: "For example, brand awareness and loyalty surveys/campaigns/events are not separately identified from other advertising or event expenses." Since SCG did not separately identify all of these costs, they are still embedded in SCG's dollars spent in 2009-2013" and are thus incorporated into ORA's TY 2016 estimate. This provides embedded funding that SCG can reallocate in the TY for proposed activities for its Customer Services Field (CSF) Operations, CSF Supervision, and CSF Support work groups.

ORA's review and analysis of SCG's 2009-2013 adjusted-recorded expenses provided in SCG's response to ORA-SCG-052-TLG, Q. 17 shows significant expense fluctuations from year to year for several line items demonstrating that the associated activities and related costs are not incurred at that expense level on a yearly basis (i.e., one-time and non-recurring expenses). Note that expenses associated with employee meals, luncheons, entertainment, gift cards, employee recognition, holiday events, various corporate events, tickets to sporting events, certain employee/company dues and memberships, and employee laundry are a few examples of the type of expenses SCG incurred between 2009-2013 that are not necessary or required to operate the utility's business. ORA did not remove these expenses from its estimate, which provides SCG with embedded costs that can be reallocated in the TY for proposed activities

**CSF Operations Expense**
**(in Thousands of 2013 Dollars)**

| Description | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | SCG 2016 Forecast | ORA 2016 Forecast |
|---|---|---|---|---|---|---|---|---|
| Labor | $101,547 | $103,974 | $99,901 | $97,883 | $99,210 | $99,959 | $120,942 | $105,384 |
| Non-Labor | 6,727 | 6,804 | 6,844 | 7,053 | 6,699 | 8,121 | 7,003 | 7,336 |
| Total | $108,274 | $110,778 | $106,745 | $104,936 | $105,909 | $108,080 | $127,945 | $112,720 |

Regarding overtime costs included in 2009-2013 adjusted-recorded expenses for CSF Operations, see SCG's response to ORA-SCG-052-TLG, Q. 17. Regarding "embedded funding from completed and eliminated projects, programs and training" see ORA's response to Q.5 and Q.6.

**CSF Supervision Expense**
**(in Thousands of 2013 Dollars)**

| Description | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | SCG 2016 Forecast | ORA 2016 Forecast |
|---|---|---|---|---|---|---|---|---|
| Labor | $10,154 | $10,874 | $12,519 | $11,930 | $10,144 | $9,225 | $12,158 | $11,124 |
| Non-Labor | 1,247 | 1,196 | 1,166 | 1,115 | 974 | 728 | 1,230 | 1,140 |
| Total | $11,401 | $12,070 | $13,685 | $13,045 | $11,118 | $9,953 | $13,388 | $12,264 |

**CSF Support Expense**
**(in Thousands of 2013 Dollars)**

| Description | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | SCG 2016 Forecast | ORA 2016 Forecast |
|---|---|---|---|---|---|---|---|---|
| Labor | $9,744 | $9,734 | $9,621 | $9,368 | $8,804 | $9,051 | $10,980 | $9,587 |
| Non-Labor | 1,191 | 1,281 | 1,158 | 828 | 954 | 2,257 | 1,643 | 1,446 |
| Total | $10,935 | $11,015 | $10,779 | $10,196 | $9,758 | $11,308 | $12,623 | $11,033 |

Q.2: At Exhibit ORA-13, page 11, lines 6-9, ORA indicated it "reviewed and analyzed each individual work order type SDG&E provided in its testimony, in order to determine the historical order volume trend for each individual work order type". Of the 56 order types ORA reviewed and analyzed, which individual order type forecasts does ORA object to and why?

A.2: Regarding "which individual order type forecasts does ORA object to and why," note that ORA's testimony did not state that it objected to SDG&E's "individual order type forecasts."

As discussed in ORA's testimony on page 11, ORA reviewed and analyzed each individual work order type SDG&E provided in its testimony, in order to determine the historical order volume trend for each individual work order type.[1] ORA discovered that, of the fifty-six work order types shown, thirty-two of them showed declining trends in order volumes between 2009-2013. SDG&E's 2014 adjusted-

[1] Regarding forecasts and historical trends for Work Order Volumes, in response to ORA-SCG-052-TLG, Q. 22-d, SCG states "Relying solely on total order volume trends, rather than order volume trends for each individual work order type, would ignore key factors impacting individual order types."

recorded expenses of $13.243 million includes its work order volumes and its 2014 expense level is $2.435 million lower than its 2013 expense levels of $15.678 million. SDG&E's testimony and workpapers did not include any historical cost data associated with each of its fifty-six work order types for analysis.

Q.3: At Exhibit ORA-13, page 47, lines 11-13, ORA indicated it "reviewed and analyzed each individual work order type SCG provided in its testimony, in order to determine the historical order volume trend for each individual work order type". Of the 50 order types ORA reviewed and analyzed, which individual order type forecasts does ORA object to and why?

A.3: See ORA's testimony on pages 47-49 and ORA's response to Q.2 above.

Q.4: At Exhibit ORA-13, ORA calculates SoCalGas' Customer Services Field (CSF) forecasts for customer growth (page 49, line 18 and page 50, lines 1-2), drive time (page 52, lines 20-22), new CSF services (page 54, lines 8-12), Operator Qualification training (page 57, lines 22-24), and meter set assembly inspections (page 59, lines 4-5) divided SoCalGas' TY 2016 forecasted cost for the aforementioned elements by three. What is the rationale and basis for dividing the annual cost by three?

A.4: ORA explains the "rationale and basis" for its TY 2016 forecast for SoCalGas' Customer Services Field (CSF) in detail in ORA's testimony at pages 45-61. ORA's CSF forecast is based, in part, on ORA's recommendation that the Commission normalize the costs over the three-year GRC cycle that SCG used. See, for example, Ex. ORA-13, p. 52, lines 20-22, and Ex. ORA-13, p. 59, line 4.

Q.5: At Exhibit ORA-13, when referring to SDG&E's request for incremental funding for the CSF cost categories, ORA states "SDG&E should have embedded historical costs from completed or eliminated projects that can reallocated to address its proposed activities in the Test Year." For each location listed below where ORA recommends this, please indicate which specific completed or eliminated projects ORA is referring to.

a. CSF Operations on page 12, lines 9-10
b. CSF Support on page 14, lines 4-6

A.5 a-b:

In regards to "which specific completed or eliminated projects ORA is referring to" see ORA's testimony pages 9-12. Note that SDG&E states that its CSF Operations costs "are primarily driven by work order volumes." SDG&E's total work order volumes declined by 406,493 between 2009-2013, from 725,946 in 2009 to 319,453 in 2013. ORA was not able to compare SDG&E's forecast project costs to past project costs or determine which projects have been completed or eliminated. ORA

assumes that SDG&E has at least completed some projects successfully and that those costs can be reallocated to fund new activities. SDG&E's testimony and workpapers did not include any historical cost data associated with each of its fifty-six work order types for analysis.

Q.6: At Exhibit ORA-13, page 58, lines 13-16, when referring to SoCalGas' request for incremental funding for the CSF cost categories, ORA states "SCG also has embedded funding from completed and eliminated projects, programs…that SCG can reallocate funding from those activities in the TY…". Please indicate which specific completed or eliminated projects and programs ORA is referring to.

A.6: See ORA's response to question Q.5.

Q.7: At Exhibit ORA-13, page 54, lines 11-12, "ORA recommends incremental funding of $1.738 million over 2013 recorded expense levels" to support SoCalGas' new services proposal (Expanded Appliance Safety Checks, Enhanced Customer Education, and Customer Outreach Safety Check) whereas SoCalGas forecasted $5.213 million. Please provide the calculations and assumptions used to derive the $1.738 million.

A.7: Regarding the "calculations and assumptions used to derive the $1.738 million," see ORA's testimony pages 54-57. ORA normalized SCG's forecast of $5.213 million over three years ($5.213 million divided by 3 years = $1.738 million). As discussed in ORA's testimony, SCG's historical expenses already include embedded costs for performing customer appliance safety checks and for various resources to educate customers on different SCG programs. SCG's adjusted-recorded expenses (2009-2013) for its CSF Operations include overtime costs that SCG can reallocate in the TY for proposed activities (see SCG response to ORA-SCG-052-TLG, Q.17).

Q.8: At Exhibit ORA-13, page 63, footnote 173, ORA states "ORA's use of a five year average methodology provides additional funding of $1.146 million over 2013 recorded expenses and is sufficient for SCG to maintain its 2013 ratio and its proposed ratio for DOT MSA inspections." Please provide calculations and assumptions used to support this claim.

A.8: Regarding the "calculations and assumptions used to support this claim," see ORA's testimony pages 61-64. As discussed in ORA's testimony, SCG's adjusted-recorded expenses have been on a downward trend since 2011. SCG's expenses declined by $3.732 million or 37.50% between 2011 and 2014, from $13.685 million in 2011 to $9.953 million in 2014.

ORA's estimate of $12.264 million (adding SCG's 2009-2013 adjusted-recorded expenses totaling $61,319 million/five years = $12.264 million) for SCG's CSF Supervision work group is $1.146 million more than SCG's 2013 adjusted-recorded expenses of $11.118 million. ORA's estimate is $2.311 million more than SCG's 2014 adjusted-recorded expenses of $9.953 million. SCG's 2014 adjusted-recorded expenses of $9.953 million is $1.847 million less than its 2014 forecast of $11.800 million. SCG's adjusted-recorded expenses (2009-2013) for its CSF Supervision include overtime costs that SCG can reallocate in the TY for its proposed positions.

Q.9. At Exhibit ORA-13, for ORA's testimony regarding SoCalGas' CSF Support cost category, please clarify whether ORA is proposing a TY 2016 forecast of $11.033 million or $11.008 million. Various text, tables, and footnote calculations are inconsistent in describing what ORA's forecast is for CSF Support, which also could affect the aggregate tables in ORA's testimony. Please refer to ORA's analysis of CSF Support shown on pages 65-69.

A.9: As discussed in ORA's testimony on pages 65-69, ORA's estimate for SCG's CSF Support work group is $11.033 million. ORA calculated its estimate utilizing SCG's 2013 adjusted-recorded expenses as a basis of $9.758 million, and added incremental funding of $1.275 million: $0.923 million and $0.352 million (note that ORA opposed $40,000 associated with one-time costs for audio/video equipment of SCG's $65,000 non-labor forecast). See SCG's Table SAF-22 on page SAF-33.

**END OF RESPONSE**

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